SCHEDULE 10-A

NETWORK INTEGRATION TRANSMISSION SERVICE

[DEF Zone]

The Transmission Customer shall compensate the Transmission Provider each month for its Network Load for the applicable month as follows:

10.1 Monthly delivery: The charge for Network Integration Transmission Service is derived from the Formula Rate, which is set forth in OATT Schedules 10-A.2 and 10-A.3. The resulting rate is posted on the Transmission Provider's OASIS. The Formula Rate is implemented in accordance with the OATT Schedule 10-A.1 Formula Rate Implementation Protocols. The charge for Network Integration Transmission Service shall be updated annually on June 1st of each year in accordance with the OATT Schedule 10-A.1 Formula Rate Implementation Protocols.

NOTE: All quantities used in calculating the Network Integration Customer's Network Load shall be adjusted to the transmission system input level, i.e., shall include the transmission capacity amount associated with any applicable losses.

10.2 Regulatory Assessment: The Transmission Customer shall pay a portion of the charge by FERC pursuant to 18 C.F.R. § 382.201 related to service under this Tariff. The Regulatory Assessment shall be allocated to the Transmission Customer on an annual basis in the year following the year in which transmission service is rendered, based on the megawatt-hours of service provided to the Transmission Customer or based upon such other method as these fees are assessed by FERC.

SCHEDULE 10-A.1

Formula Rate Implementation Protocols

[DEF Zone]

Section 1 **The Annual Update Process**

a. The unit charges for transmission service under Schedules 7, 8, 10-A and 12 of the Tariff shall be determined and updated annually through the application of the Formula Rate comprising Schedules 10-A.2 and 10-A.3 of the Tariff in the following manner:

(i) Subject to Sections 1.a(iii) and 4 below, the initial unit charges for transmission service shall apply to service provided during the period January 1, 2008 through May 31, 2008 (inclusive), which unit charges reflect the Transmission Provider's actual costs and demands for calendar year 2006. The unit charges for transmission service shall be changed annually beginning June 1, 2008, in accordance with the process set forth in the following Sections 1.a(ii) and 1.a(iii).

(ii) Beginning in 2008 and continuing each year thereafter, on or before May 15 of each year, DEF shall calculate unit charges for transmission service reflecting its actual costs and demands for the prior calendar year. Such calculation ("Annual Update") shall be made in accordance with the Formula Rate comprising Schedules 10-A.2 and 10-A.3. The transmission unit charges determined in the Annual Update shall be placed into effect beginning on June 1 of the year in which the Annual Update is performed (i.e., beginning June 1 of the year following the calendar year upon which

the Annual Update is based). Such transmission unit charges shall continue in effect through May 31 of the following year, unless changed as provided in Section 4. (To put this in a calendar-year context, for any given calendar year, the amounts billed for transmission service provided during the period of January 1 through May 31 of that calendar year shall be computed using the unit charges determined in the Annual Update performed in the prior calendar (reflecting actual costs and demands for the second preceding calendar year), except as such unit charges may be changed as provided in Section 4, and such billed amounts for transmission service provided during the period of June 1 through December 31 of that calendar year shall be computed using the unit charges determined in the Annual Update performed in that calendar year (reflecting actual costs and demands for the preceding calendar year), except as such unit charges may be changed as provided in Section 4.)

(iii) At the time of, and in conjunction with, each Annual Update (beginning in calendar year 2009), amounts billed to all Transmission Customers for Network Integration Transmission Service, Network Contract Demand Service, and Long-Term Firm Point-to-Point Transmission Service (i.e., but not for Short-Term Firm Point-to-Point Transmission Service or Non-Firm Point-to-Point Transmission Service) provided during the calendar year upon which the Annual Update is based (i.e., the calendar year preceding the year in which the Annual Update is performed) shall be "trued up" as follows: (1) The monthly amounts billed to each

Transmission Customer for Network Integration Transmission Service, Network Contract Demand Service, and Long-Term Point-to-Point Transmission Service for service provided during all twelve months of such prior calendar year (i.e., the year being trued-up) shall be recomputed using the transmission unit charges reflecting actual costs and demands, as determined in the Annual Update. (2) The resulting recomputed monthly amounts to each such Transmission Customer shall be compared to the amounts that had been included in that Transmission Customer's monthly billings for service during that calendar year (which shall have been determined using the transmission unit charges that shall have been in effect pursuant to Sections 1.a(i) and 1.a(ii) above). (3) The difference between the recomputed amounts and the previously billed amounts, together with interest determined in accordance with 18 C.F.R. § 35.19, shall, as appropriate, be refunded to the Transmission Customer within 30 days, or charged to the Transmission Customer on the next monthly bill to that Transmission Customer, following the Publication Date (as hereinafter defined) of the Annual Update.

(iv) In the event that the Formula Rate shall have changed one or more times during a calendar year, the Annual True-Up for that year shall have multiple parts, one part for each period in which a different Formula Rate was in effect. Each part shall accomplish the true-up of charges for the portion of the year during which the respective Formula Rate was in effect. For purposes of such true-up, (1) the annual revenue requirements for the

entire year shall be determined as if the respective Formula Rate was in effect for the entire year, (2) the resulting per-unit rates shall be determined from those revenue requirements and billing determinants for the entire year in accordance with the respective Formula Rate, and (3) the resulting unit prices shall be applied to Transmission Customers' billing determinants for the same portion of the year during which the respective Formula Rate was in effect in order to determine the trued-up charges for that time period (i.e., what the charges reflecting actual costs should have been for such time period). Each set of trued-up charges shall be compared to the actual monthly charges for respective Customers during the corresponding time periods to determine refunds or additional charges, along with appropriate interest determined in accordance with the Formula Rate.

b. Promptly after preparing each Annual Update, but in no event later than May 15 of the year in which the Annual Update is performed (except as provided in Section 1.c below), the Transmission Provider shall:

(i) post the results of such Annual Update on Transmission Provider's Internet website via link to the Transmission Services page or a similar successor page in both a Portable Document Format and fully-functioning Excel file; and

(ii) file the results of such Annual Update with the Federal Energy Regulatory Commission ("FERC" or "Commission") as an informational filing ("Informational Filing"). Consistent with FERC procedures concerning

informational filings, the Informational Filing will not be noticed for filing and FERC need not issue an acceptance or approval of the Informational Filing for the rates to go into effect. If the Commission issues a Notice in response to the Informational Filings, the Parties shall advise the Commission of the challenge process in the Formula Rate Implementation Protocols ("Protocols") and shall seek an abeyance of the Commission proceeding to permit that challenge process to proceed.

c. If the May 15 deadline set forth above for making the Annual Update posting/filing should fall on a weekend or a holiday recognized by the FERC, then the posting/filing shall be due on the next business day.

d. Subject to Section 4.e, the date that is the later of (i) the last of the events listed in Sections 1.b and 1.c, above, or (ii) the date of the actual posting of the Transmission Provider's Annual Update shall be the "Publication Date" of that Annual Update.

e. The Formula Rate is premised upon the following predicates:

(i) the FERC's Uniform System of Accounts ("USoA"),

(ii) FERC Form No. 1[1] reporting requirements as applicable,

(iii) FERC's orders establishing generally applicable transmission ratemaking policies (including, but not limited to, FERC's policy that all charges

[1] If the referenced form is superseded, the successor form(s) shall be utilized and supplemented as necessary to provide equivalent information as that provided in the superseded form. If the referenced form(s) is (are) discontinued, equivalent information as that provided in the discontinued form(s) shall be utilized.

billed under formula rates are subject to prudence challenges and after-the-fact refund)[2] and

(iv) the Transmission Provider's accounting policies, practices and procedures that are consistent with Section 1.e(i) above, as each of such predicates ("Fundamental Predicates") exists as of the date of the initial filing by the Transmission Provider of the Formula Rate, subject to such Fundamental Predicate(s) being changed in accordance with the procedures provided for in this Schedule 10-A.1 or by the FERC.

f. The Annual Update and the Transmission Provider's associated Informational Filing:

(i) shall be based upon the data properly recordable and recorded in (a) the Transmission Provider's FERC Form No. 1 report (to the extent the Formula Rate specifies Form 1 data as the input source) and (b) the books and records of the Transmission Provider maintained in accordance with the USoA (as defined above) and other FERC accounting policies (to the extent the Formula Rate specifies such data as the input source);

(ii) shall, as and to the extent specified in the Formula Rate, provide supporting documentation for data not otherwise available in the FERC Form No. 1 that are used in the Formula Rate;

(iii) shall provide notice of material changes in the Transmission Provider's accounting policies, practices and procedures from those in effect for the

[2] Challenges to prudency of costs shall apply the then-existing criteria and evidentiary burdens established in FERC policy. Nothing in these Protocols alters or changes those criteria and evidentiary burdens. See also Section 3.c. of the Protocols.

calendar year upon which the immediately preceding Annual Update was based ("Material Accounting Changes");[3]

(iv) shall be subject to review and challenge, in accordance with the procedures set forth in this Schedule 10-A.1, to verify that the input data is properly recordable and recorded, and otherwise consistent with Section 1.f.(i) and the Fundamental Predicates, and that the Formula Rate has been applied according to its terms and the procedures in this Schedule 10-A.1 (including terms and procedures related to challenges concerning consistency with and changes in Fundamental Predicates); and

(v) shall not seek to amend the Formula Rate, and except as provided in Section 1.h, below, shall not be subject to Preliminary or Formal Challenge seeking to amend the Formula Rate (i.e., all amendments to the Formula Rate (including return on common equity and other items specified in Section 1.i, below) shall require, as applicable, a Federal Power Act Section 205 or Section 206 filing).

g. All change(s) to the Fundamental Predicates set forth in Section 1.e, above, (other than through Ministerial Filings pursuant to Section 5 hereof that update FERC Form 1 or USoA references and do not make substantive changes to the Formula Rate), subsequent to the date specified in Section 1.e, shall warrant a re-assessment of all of the elements of the Formula Rate that are affected by the change or changes in one or more Fundamental Predicates to ensure that the Formula Rate operates together to produce a just, reasonable and not unduly

[3] Such notice may also incorporate by reference applicable disclosure statements filed with the Securities and Exchange Commission ("SEC").

discriminatory or preferential Formula Rate. Changes to the Fundamental Predicates that require a change to the Formula Rate will be perfected by the Transmission Provider through a filing under Federal Power Act Section 205.

h. Any interested party seeking changes in the application of the Formula Rate (including a change to the Formula Rate itself) due to a change in one or more of the Fundamental Predicates shall raise the matter with the Transmission Provider. If such changes to the application of the Formula Rate for the current Annual Update are not resolved within one hundred and twenty (120) days of the Publication Date, any interested party shall have the right to challenge such application of the Formula Rate, in the manner otherwise provided pursuant to this Schedule 10-A.1, due to the change(s) in such Fundamental Predicates. The final resolution of any such challenge(s), including interest calculated in accordance with 18 C.F.R. § 35.19a, (a) shall be effective on June 1 of the year in which the Annual Update was performed; and, (b) shall be applied to the true up for the calendar year upon which the Annual Update is based.

i. The values for (i) rate of return on common equity, (ii) depreciation rates, and (iii) annual storm damage accruals and the maximum storm damage reserve level are deemed an integral part of the Formula Rate, not subject to change except pursuant to an FPA Section 205 or 206 filing.

j. All data provided pursuant to and in accordance with the procedures set forth in this Schedule 10-A.1 may be used in any challenge to the Annual Update of the Formula Rate.

k. It is the intent of the Formula Rate, including the supporting explanations and allocations described therein, that each input to the Formula Rate will be either

taken directly from the FERC Form No. 1 or reconcilable to the FERC Form No. 1 by the application of clearly identified and supported information. Where the reconciliation is provided through a worksheet included in the filed Formula Rate template, the inputs to the worksheet must meet this transparency standard, and doing so will satisfy this transparency requirement for the amounts that are output from the worksheet and input to the main body of the Formula Rate.

Section 2 **Annual Review Procedures**

Each Annual Update shall be subject to the following review procedures ("Annual Review Procedures"):

a. Each year the Transmission Provider shall organize a meeting or conference call among interested parties ("Customer Meeting") during which the Transmission Provider shall present details about its Annual Update. The Customer Meeting shall also provide interested parties the chance to seek information and clarifications from the Transmission Provider about the Annual Update. The Customer Meeting shall take place no later than thirty (30) days after the Publication Date, at a date and time posted on the Transmission Provider's internet website on or before the Publication Date but in no event less than fifteen (15) days before such Customer Meeting.

b. In addition to the informal means of requesting and sharing information about the Annual Update set forth in Section 2.a, any interested party shall have up to one hundred twenty (120) days after the Publication Date (unless such period is extended with the written consent of the Transmission Provider) to review the calculations ("Review Period") and to notify the Transmission Provider in writing

of any specific challenges, including challenges related to changes in Fundamental Predicates, to the application of the Formula Rate ("Preliminary Challenge"). Notice of such Preliminary Challenges shall be promptly posted (at the same location as the Annual Update) by the Transmission Provider.

c. Interested parties shall have up to ninety (90) days after each annual Publication Date (unless such period is extended with the written consent of the Transmission Provider) to serve reasonable information requests on the Transmission Provider. Such information requests shall be limited to what is necessary to determine that the input data is properly recordable and recorded, consistent with Section 1.f.(i) and the Fundamental Predicates and with the application of the Formula Rate and the procedures in this Schedule 10-A.1, and to determine the extent and effect(s) of changes in the Fundamental Predicates. In addition, except as to allocation of intangible plant and prepayments, such information requests shall not solicit information that solely relates to inputs that are stated values or cost allocation methods that have been determined by any final order by the FERC pursuant to FPA Sections 205, 206, or 306 with respect to the Transmission Provider (including an order approving a settlement), except that such information requests shall be permitted if they seek to determine if there have been material changed circumstances and to confirm consistency with the applicable order (and associated settlement, if any).

d. The Transmission Provider shall make a good faith effort to respond to information requests pertaining to the Annual Update within fifteen (15) business days of receipt of such requests. Such data responses shall be served on all

customers and other parties identifying themselves to the Transmission Provider as interested.

e. Subject to the limitations in Section 3.e, the failure to make a Preliminary Challenge to an Annual Update shall not act as a bar with respect to making a Formal Challenge as to that Annual Update nor shall failure to make a Preliminary Challenge or Formal Challenge as to any Annual Update act as a bar to a Preliminary Challenge or Formal Challenge related to any subsequent Annual Update.

Section 3 **Resolution of Challenges and Correction of Errors or Mistakes**

a. If the Transmission Provider and an interested party who has raised a Preliminary Challenge have not resolved a Preliminary Challenge to an Annual Update, the interested party shall have the right to make a Formal Challenge with the FERC, pursuant to 18 C.F.R. § 385.206, and Sections 206 and/or 306 of the Federal Power Act, at any time after thirty (30) days after the Review Period, subject, however, to Sections 3.e and 3.f below. Otherwise, interested parties shall have the right to make a Formal Challenge at any time as provided in these Protocols, subject also to Sections 3.e and 3.f below. Each Formal Challenge shall be served on the Transmission Provider by electronic service on the date of such filing. However, there shall be no need to make a Formal Challenge or to await conclusion of the time periods in Section 2 if the FERC already has initiated a proceeding to consider the Annual Update.

b. Any response by the Transmission Provider to a Formal Challenge must be submitted to the FERC within thirty (30) days of the date of the filing of the

Formal Challenge, and shall be served on the filing party(ies) by electronic service on the date of such filing.

c. In any proceeding initiated by the FERC concerning the Annual Update or in response to a Formal Challenge, the Transmission Provider shall bear the burden of proving that it has reasonably applied the terms of the Formula Rate (including, but not limited to, consistency with the Fundamental Predicates), and the applicable procedures in this Schedule 10-A.1, for that year's Annual Update; provided, however, that challenges to the prudency of costs shall apply then-existing criteria and evidentiary burdens established in FERC policy applicable to prudence challenges in a Section 205 context.

d. In any proceeding initiated under Federal Power Act Section 206 to change the Formula Rate (as distinguished from a Formal Challenge under these Protocols), the filing party shall bear the burden of proof. Changes to the Formula Rate that result from such a Section 206 proceeding shall not be effective before the refund effective date that is assigned to such proceeding. Refunds resulting from a Formal Challenge, on the other hand, are controlled by Section 4.d.

e. Subject to judicial review of FERC orders, each Annual Update shall become final and hence no longer subject to challenge or to change pursuant to these Formula Rate Implementation Protocols, except as provided in Sections 3.f and 4, by the FERC or by any entity (including the Transmission Provider), twelve (12) months following the Publication Date (or extended period, if applicable), except that an Annual Update may thereafter be changed in accordance with the resolution of any Formal Challenges or FERC-initiated proceedings related to the

Annual Update that have been initiated prior to but are outstanding and unresolved as of 12 months following the Publication Date (or extended period if applicable).

f. Notwithstanding the finality provisions of Section 3.e with respect to each Annual Annual Update, if an error or mistake in an Annual Update ("Year X Update") is discovered by an interested party or the Transmission Provider within two (2) years of the end of the year in which the Year X Update was posted, and the Transmission Provider agrees with the correction, the Transmission Provider shall promptly file a Revised Annual Update for the Year X Update, as provided in Section 4 below, to reflect the correction of such error or mistake.[4] If the Transmission Provider disagrees with any proposed correction, then (i) the Transmission Provider shall promptly notify in writing the party or parties raising the need for that correction and all Transmission Customers of such disagreement, and (ii) any interested party may within sixty (60) days following such notification file or initiate a Formal Challenge seeking such correction, notwithstanding the provisions of Section 3.e above. Any errors or mistakes discovered by either an interested party or the Transmission Provider to an Annual Update beyond the two-year period will not be corrected. However, both the Transmission Customer and the Transmission Provider retain their respective rights under the Federal Power Act. For the avoidance of doubt, an example

[4] With respect to any given Annual Update or Annual True-up, an error or mistake is defined as any error or mistake in implementing the Formula Rate, including but not limited to (i) making or using an invalid numerical calculation or using a calculation that is otherwise inconsistent with the Formula Rate, and (ii) an error or mistake in one or more input values used in the calculation of the Annual Update or Annual True-Up, including (without limitation) an error or mistake reflected in the FERC Form No. 1 or underlying books and records of the Transmission Provider.

reflecting the application of this provision is provided in the margin below.[5] Consistent with Section 4 of these Protocols, appropriate refunds or additional amounts billed hereunder will include interest in accordance with 18 C.F.R. § 35.19a. For purposes of this section, an error or mistake will be deemed "discovered" when the entity that identifies the error or mistake gives written notice to the Transmission Provider and/or the interested parties, as applicable, of the error or mistake.

g. Except as provided in Section 1.h, no interested party may seek to amend the Formula Rate by means of a Preliminary or Formal Challenge. Except as specifically provided herein, nothing herein shall be deemed to limit in any way (i) the right of the Transmission Provider to file unilaterally, pursuant to FPA Section 205 and the regulations thereunder, proposed changes to the Formula Rate or any of its inputs that are stated values, or (ii) the right of any interested party to request such changes pursuant to FPA Section 206 and the regulations thereunder.

h. It is recognized that resolution of Formal Challenges concerning changes in Fundamental Predicates shall necessitate adjustments to the Formula Rate input data for the applicable Annual Update or changes to the Formula Rate that are affected by the change or changes in one or more Fundamental Predicates to ensure that all elements of the Formula Rate that are affected by the change in the

[5] If in 2016 an error or mistake is discovered by any interested party or the Transmission Provider regarding the 2014 Annual Update, the 2014 Annual Update would be amended to reflect the correction of such error or mistake, i.e., the true-up for calendar year 2013 would be adjusted and revised billings issued for that year; if, however, the error or mistake regarding the 2014 Annual Update were discovered by any interested party or the Transmission Provider in 2017 (or thereafter), neither the interested party nor the Transmission Provider would have a basis for seeking relief regarding the 2014 Annual Update.

Fundamental Predicate(s) operate together to produce a just, reasonable and not unduly discriminatory or preferential Formula Rate.

Section 4 **Changes to Annual Informational Filings**

Following the publication of an Annual Update, the Annual Update and the unit charges resulting therefrom may be changed (i) to correct errors or mistakes therein, subject to the finality and error correction provisions in Sections 3.e and 3.f, (ii) to reflect the resolution of Preliminary Challenges or Formal Challenges by settlement, or (iii) to reflect actions by FERC, and the resulting changed Annual Update shall be referred to as a "Revised Annual Update." As to each such Revised Annual Update:

a. If the unit charges resulting from the Annual Update performed pursuant to Section 1.a(i) or (ii) hereof or previous revisions thereto (referred to as the "Then-Current Annual Update") are still in effect, the unit charges shall be changed to reflect the Revised Annual Update beginning with the next monthly billing cycle for which it is practical to do so.

b. For Network Integration Transmission Service, Network Contract Demand Service, and Long-Term Firm Point-to-Point Transmission Service:

(i) If, at the time of the revision to an Annual Update pursuant to Section 4.a above, the amounts billed using the unit charges from such Then-Current Annual Update have not been trued-up to reflect actual costs and demands pursuant to Section 1.a(iii) hereof, such billed amounts shall be recomputed using the unit charges resulting from the Revised Annual Update, and appropriate refunds provided, or additional amounts billed, as soon as practical following the change.

(ii) If, at the time of the Revised Annual Update, the amounts billed using the unit charges from the Then-Current Annual Update shall have been trued up to reflect actual costs and demands pursuant to Section 1.a(iii) hereof, such true-up shall be recomputed on the basis of each Revised Annual Update, and appropriate additional refunds made or amounts billed as soon as practical following the subject change.

c. For Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-to-Point Transmission Service:

(i) All billed amounts made to Transmission Customers that shall have been computed using the unit charges resulting from the Then-Current Annual Update at issue (i.e., charges for service provided during the period beginning June 1 immediately following the original preparation of the Annual Update at issue) shall be recomputed using the unit charges resulting from the Revised Annual Update, and appropriate refunds provided, or additional amounts billed, as soon as practical following the change.

d. All refunds and additional charges to Transmission Customers resulting from changes to an Annual Update shall include interest determined in accordance with 18 C.F.R. § 35.19a and (a) shall be effective on June 1 of the year in which the Annual Update was performed; and, (b) shall be applied to the true up for the calendar year upon which the Annual Update is based. All such refunds and additional charges shall also appropriately take into account refunds and additional charges, if any, that shall have previously been made in connection

with prior changes, if any, to the subject Annual Update.

e. If the subject change set forth in Section 4.d above is not the direct result of an order by FERC, the Transmission Provider shall promptly file with FERC the Revised Annual Update in connection with the subject Annual Update and shall promptly update its internet posting associated therewith. The aspects of the Revised Annual Update that are different from the subject Annual Update and any elements affecting those changes or that are affected by such changes will obtain a new Publication Date, which shall be the date of filing of the Revised Annual Update at FERC.

Section 5 Update of Formula Rate for FERC Form No. 1 and USoA References

At such time as the Transmission Provider finds appropriate, it may make a filing with FERC under Section 205 that updates the FERC Form No. 1 and USoA references in its Formula Rate to reflect any FERC-mandated changes in the format for the FERC Form No. 1 or USoA that do not affect the rates for Transmission Service derived from the Annual Update (the "Ministerial Filing"), which proceeding may not be used to raise issues unrelated to the proposed changes ("Limited 205 Proceeding"). Alternatively, the Form 1 and USoA reference changes that could be made in a Ministerial Filing may be filed as part of a filing under Federal Power Act Section 205 to otherwise amend the Formula Rate, in which proceeding any issues related to the Formula Rate may be raised ("Normal 205 Proceeding"). Prior to or between any such Limited 205 Proceeding or Normal 205 Proceeding, to the extent changes in the FERC-mandated format of the Form 1 or USoA cause the then current Form 1 or USoA to depart from the Form 1 or USoA referenced in the Formula Rate but does not affect the rates for Transmission Service

derived from the Annual Update, the Transmission Provider's Annual Update shall include a reconciliation so that interested parties can confirm that the Formula Rate is being applied consistent with the as-filed Formula Rate.

Schedule 10-A.2 Formula Rate Template
[DEF Zone]

DUKE ENERGY FLORIDA, INC.
OATT Transmission Non-Levelized Rate Formula Template Using Form-1 Data

Summary of Rates

Line		Reference	Total	Allocator	OATT Transmission
1	**Gross DEF Revenue Requirement**	Page 3, Line 35			0
	Revenue Credits:				
2	Acct 454 - Transmission Related	Exhibit DEF - 3	0	D/A 1.00000	0
3	Acct 456 - NF + STF Service (x/ Ancillaries)	Exhibit DEF - 3	0	D/A 1.00000	0
4	**Total Revenue Credits**		0		0
5	**Interest Disbursed with Network Prepayment Refunds**				0
6	**Revenue Req't - Customer Owned Facilities**				0
7	**Net Revenue Requirements** (Line 1 - Line 4 + Line 5 + Line 6)				0
8	**Divisor - Sum of Monthly MW Transmission System Peaks (Excludes STF)**	p.5, line 15 Total			0
9	**Trans. Rev Req't Rate $/MW-Mon.**	Line 7 / Line 8			0
10	**Storm Reserve Adder**	Page 5, Line 9			140
11	**Total Firm Monthly Trans. $/MW-Month**	Line 9 + Line 10			0
12	**Annual Firm Trans $/MW-year**	Line 11 * 12			0
13	**Weekly Firm/Non-Firm PTP Rate $/MW-Week**	Line 12 / 52			0.00
	Daily Firm/Non-Firm PTP Rates ($/MW):				
14	On-Peak Days	Line 13 / 5			0.00
15	Off-Peak Days	Line 13 / 7			0.00
	Non-Firm Hourly PTP Rates ($/MWh):				
16	On-Peak Hours	Line 14 / 16			0.00
17	Off-Peak Hours	Line 15 / 24			0.00

DUKE ENERGY FLORIDA, INC.
OATT Transmission Non-Levelized Rate Formula Template Using Form-1 Data

Development of Rate Base and Capital Structure

Line	RATE BASE:	Reference	Beginning Balance	Ending Balance	B/E Average	Allocator		OATT Transmission
	Gross Plant in Service (Note A):							
1	Production Plant	204&205.46.b&g	0	0	0	N/A		
2	Transmission Plant (Note V)	206&207.58.b&g	0	0	0			
2A	Less Direct Assign Radials	DEF - 7, ll 1&5	0	0	0			
2B	Trans. Plant w/o Direct Assign Radials					TP	0.00000	0
3	Distribution Plant	206&207.75.b&g	0	0	0	N/A		
4	General Plant	206&207.99.b&g	0	0	0	OATT LABOR	0.00000	0
5	Intangible Plant	204&205.5.b&g	0	0	0	OATT LABOR	0.00000	0
6	**Total Gross Plant**				0	GP =	0.00000	0
	Accumulated Depreciation:							
7	Production Depr. Reserve	219.20 thru 24.c	0	0	0	N/A		
8	Transmission Depr. Reserve (Note V)	219.25.c	0	0	0			
8A	Less Direct Assign Radials	DEF - 7, ll 7&10	0	0	0			
8B	Trans. Reserve w/o Direct Assign Radials		0	0	0	TP	0.00000	0
9	Distribution Depr. Reserve	219.26.c	0	0	0	N/A		
10	General Depr. Reserve	219.28.c	0	0	0	OATT LABOR	0.00000	0
11	Intangible Amort. Reserve	200.21.c	0	0	0	OATT LABOR	0.00000	0
12	**Total Accumulated Depr.**				0			0
	Net Plant in Service							
13	Net Production Plant	Line 1 - Line 7			0			
14	Net Transmission Plant	Line 2 - Line 8			0			0
15	Net Distribution Plant	Line 3 - Line 9			0			
16	Net General Plant	Line 4 - Line 10			0			0
17	Net Intangible Plant	Line 5 - Line 11			0			0
18	**Total Net Plant**				0	NP =	0.00000	0
	Adjustments to Rate Base - Deferred Taxes							
19	ADIT - 190	234.8.b&c	0	0	0	Exhibit DEF - 5		-
20	ADIT - 281 (Negative)	272&273.8.b&k	0	0	0	Exhibit DEF - 5		0
21	ADIT - 282 (Negative)	274&275.2.b&k	0	0	0	Exhibit DEF - 5		0
22	ADIT - 283 (Negative)	276&277.9.b&k	0	0	0	Exhibit DEF - 5		0
23	**Total Deferred Tax Adjustments**				0			0
24	**Unfunded Reserves**	Note U	0	0	0	Exhibit DEF-5A		0
25	**Net 182.1 (+) / Storm Reserve (-) - Wholesale Transmission (Note B)**	230a.5.f	0	0	0	p. 5, l. 16	2.89906	0
26	**Plant Held for Future Use**	214.47.d	0	0	0	Note C		0
27	**Transmission Related CWIP - Identified Projects (Note V):**		0	0	0		0.50000	0
	Rate Base Adjustments - Network Upgrade Prepayments (Note O):							
28	Outstanding Balance - Network Prepayments (Note T)		0	0	0	D/A	(1.00000)	0
29	Interest Accrued/Capitalized on Network Prepayments		0	0	0	D/A	1.00000	0
30	**Total Network Upgrade Prepayment Adjustments**							0
	Working Capital:							
31	Cash Working Capital (1/8 O&M)	Page 3, line 17						0
32	M&S - Transmission	227.8.b&c	0	0	0	TExp	0.00000	0
33	M&S - Stores Expense	227.16.b&c	0	0	0	OATT LABOR	0.00000	0
34	Prepayments (Note L)							
34A	Long Term Service Agreements							
34B	Production & Distribution	111.57.c&d	0	0	0	Other	0.00000	0
34C	Transmission	111.57.c&d	0	0	0	TP	0.00000	0
34D	Other Prepayments	111.57.c&d	0	0	0	GP	0.00000	0
35	**Total Working Capital**							0
36	**Rate Base (Sum of Lines 18, 23 thru 27, 30, and 35)**							0
	AVERAGE CAPITALIZATION:							
37	Long-Term Debt	112.24.c&d	0	0	0			
38	Less Loss on Reacquired Debt	111.81.c&d	0	0	0			
39	Plus Gain on Reacquired Debt	113.61.c&d	0	0	0			
40	Less Securitization Bonds	Note I	0	0	0			
41	Net Long Term Debt				0			
42	Preferred Stock	112.3.c&d	0	0	0			
	Common Stock Development:							
43	Proprietary Capital	112.16.c&d	0	0	0			
44	Less Preferred Stock	112.3.c&d	0	0	0			
45	Less Account 216.1	112.12.c&d	0	0	0			
46	Common Stock				0			
47	Total Capitalization (Sum of Lines 41, 42, and 46)				0			

DUKE ENERGY FLORIDA, INC.
OATT Transmission Non-Levelized Rate Formula Template Using Form-1 Data

Development of Revenue Requirements

Line	EXPENSES:	Reference	Total	Allocator		OATT Transmission
	O&M Expense					
1	TOTAL Transmission Expenses	321.112.b	0			
2	Less Account 561	321.84-92.b	0			
3	Less Account 565	321.96.b	0			
4	Net Transmission O&M	Note H	0	TExp	0.00000	0
5	Total Admin & General Expenses (Note S)	323.197.b	0			
6	Less (924) Property Insurance	323.185.b	0			
7	Less (928) Regulatory Commission Expenses	323.189.b	0			
8	Less (930.1) General Advertising Expenses	323.191.b	0			
9	Less Industry Dues and R&D Expense	335.1-3.b	0			
10	Net Labor Related A&G		0	OATT LABOR	0.00000	0
11	(924) Property Insurance	323.185.b	0			
12	Less system storm reserve funding		0			
13	Net Allocated Property Insurance		0	GP	0.00000	0
14	Trans. Related Regulatory Expense	Note D		D/A	1.00000	0
15	Trans. Related Advertising Exp.	Note D		D/A	1.00000	0
16	[omitted]					
17	**Total O&M (Sum of Lines 4, 10, and 13 thru 16)**					**0**
	Depreciation Expense					
18	Transmission Depr. Expense (Note V)	336.7.f	0			
18A	Less Direct Assign Radial Depr Exp	DEF-7, line 8	0			
18B	Trans Depr. w/o Direct Assign Radials		0	TP	0.00000	0
19	General Depr. Expense	336.10.f	0	OATT LABOR	0.00000	0
20	Intangible Amortization (Note E)	336.1.f	0	OATT LABOR	0.00000	0
21	**Total Depreciation**		0			**0**
	Taxes Other Than Income (Note F)					
22	Labor Related	263.i	0	OATT LABOR	0.00000	0
23	Property Related	263.i	0	GP	0.00000	0
24	**Total Other Taxes**		0			**0**
	Return:					
25	Rate Base (Page 2, Line 36) * Rate of Return (Page 4, Line 27)					**0**
	Income Taxes:					
26	State of Florida	Note M	0.00%			
27	Federal	Note M	0.00%			
28	Composite T = State + Federal * (1 - State)		0.00%			
29	Tax Rev.Req't Factor = T / (1 -T) * (1 - Wtd.Debt.Cost/R_0)		0.00%			
30	ITC Gross Up Factor = 1 / (1 -T)		0.000			
31	Amortized ITC (Negative)	266.8.f	0			
32	Income Taxes Calculated (Line 25 * Line 29)					0
33	ITC Adjustment (Line 30 * Line 31)		0	NP	0.00000	0
34	**Total Income Taxes**					**0**
35	**TOTAL REVENUE REQUIREMENT (Sum of Lines 17, 21, 24, 25, and 34)**					**0**

DUKE ENERGY FLORIDA, INC.
OATT Transmission Non-Levelized Rate Formula Template Using Form-1 Data

Supporting Allocation Factor and Return Calculations

Line		Reference	Total
	B/E Avg. Transmission Plant Included in OATT Rate:		
1	Total Transmission Plant w/o D/A Radials	p 2, line 2B	0
2	Less Gen. Step-up Transformers in 353	Exhibit DEF - 4	0
3	Less Interconnection Facilities (Order 2003)	Exhibit DEF - 4	0
4	Less Energy Control Center	Note G	0
5	Avg.Trans Plant for OATT Rate		0
6	**TP Allocator (Line 5 / Line 1)**	Note H	0.00000
7	Add Back ECC to OATT Plant (Line 4 + Line 5)		0
7A	Add back D/A Radials to Total Trans Plt (line 1 + p2, l 2A)		0
8	**TExp Allocator (Expenses excluding 561 and 565) (Line 7 / Line 7A)**		0.00000
	Labor Allocation Factor		
9	Total Direct Payroll - O&M Labor	354.28.b	0
10	A&G Labor	354.27.b	0
11	Adj. - RCO Labor in A&G Labor		0
12	Adjusted Labor w/o A&G (Line 9 - Line 10 + Line 11)		0
13	Transmission O&M Labor	354.21.b	
14	**Trans Labor Factor (Line 13 / Line 12)**		0.00000
15	**OATT LABOR Allocator (Line 5 / Line 7A * Line 14)**	Note H	0.00000
	Return and Average Capitalization:		
16	Long-Term Interest Expense	117.62 thru 67.c	0
17	Less Interest on Securitization Bonds	Note I	0
18	Net-Long Term Interest Expense		0
19	Preferred Dividends (positive)	118.29.c	0
20	Long-Term Debt	p.2, line 41	0
21	Preferred Stock	p.2, line 42	0
22	Common Stock	p.2, line 46	0
23	Total Capitalization (sum Lines 20, 21, 22)		0

	SUMMARY CAP STRUCTURE	Weight	Cost	Weighted Cost
24	Long-Term Debt	0.00%	0.00%	0.00%
25	Preferred Stock	0.00%	0.00%	0.00%
26	Common Equity	0.00%	**10.00%**	0.00%
27	**Overall Return: R_0 =**			**0.00%**

DUKE ENERGY FLORIDA, INC.
OATT Transmission Non-Levelized Rate Formula Template Using Form-1 Data

Wholesale Storm Reserve Funding

Line		Reference	Total	Allocator		OATT Transmission
1	**Whlse Extraordinary Property Loss**	230a.5.b	2,025,020			
2	Trans. Related Pct of Whlse Loss	Note J	0.92011	WEPL-T		
3	**Whlse Trans. Extraordinary Propery Loss**		1,863,250	TP2006	0.92366	1,721,010
	Components of Storm Amortization/Reserve Funding Adder (2008-2012 Rate Years only - Note N):					
4	Balance 2004 Loss as of Jan 1, 2008	230a.5.f	15,658,702	Fixed	0.84987	13,307,907
	Rebuild Reserve Equivalent to $130MM Retail:					
5	Whlse Portion of $6MM Funding	ER95-469	434,000	Fixed	0.07233	
6	System Total Reserve Req't = 130MM/(1 - Line 5 %)		140,136,543			
7	Whlse Reserve Needed = Line 6 - $130MM		10,136,543	Fixed	0.84987	8,614,774
8	**Whlse Portion of Existing Storm Accrual**	ER95-469	434,000	Fixed	0.84987	368,845
9	**Levelized Storm Reserve Funding Rate $/MW-Month (DEF - 6, Page 2)**					**140**
	Denominator for Wholesale Transmission:					
10	Firm Network Service for Self	400.17.e	84,456		0.00000	0
11	Firm Network Service for Others (Note K)	400.17.f	31,432		1.00000	31,432
12	Long-Term Firm PTP Reservations	400.17.g	3,109		1.00000	3,109
13	Other Long-Term Firm Service	400.17.h	486		1.00000	486
14	Contract Demand Adjustment		0		1.00000	0
15	Total System Long-Term Firm Transmission Load		119,483			35,027
16	**Gross-up Factor for OATT Wholesale Reserve - System Basis** (Total Load/Whlse Load * 0.84987)					2.899059808

DUKE ENERGY FLORIDA, INC.
OATT Transmission Non-Levelized Rate Formula Template Using Form-1 Data

Explanatory Notes

Note A: Excludes Asset Retirement Obligations from plant balances

Note B: Because the Page 2 Rate Base amounts are total system numbers, the wholesale specific loss/reserve balance is grossed up using the relationship between system and wholesale only transmission demands times the percent of the balance applicable to the OATT. See also Notes H and J.

Note C: FERC Form 1 page 214 excluding non-transmission related items

Note D: Analysis of Company books. Regulatory expense excludes charges by FERC pursuant to 18 CFR § 382.201

Note E: Excludes Retail ECCR and Sebring amortizations from Form-1 reported value

Note F: Excludes all income and gross receipts taxes. Labor related other taxes include FICA and unemployment taxes. Property related taxes include county and local property, highway use, and intangible taxes.

Note G: Investment in Transmission Energy Control Center included in Schedule 1 Ancillary Service cost

Note H: The allocator "TP" is the percent of allocated gross transmission plant that is OATT related, i.e., after removal of ECC, interconnections and generator step-up transformer investment.

Note I: To the extent DEF is authorized by the Florida Public Service Commission and issues bonds for distribution facilities to securitize retail recovery of extraordinary property losses, associated principal and interest expense are excluded in capitalization and return basis.

Note J: Functionalized Transmission part 182.1 Extraordinary Property Losses balance only, "WEPL-T." Consistent with the process described in Note H above, the OATT-related amount of the transmission loss is then derived using the TP allocation factor

Note K: Includes Network Integration Service and Network Contract Demand Service

Note L: Beginning balance excludes $0 and ending balance excludes $0 for prepaid pensions from Form-1 A/C 165 balances.

Note M: If income tax rates change during a calendar year, the income tax rates will be pro-rated based on the number of days each income tax rate was in effect.

Note N: Pursuant to the settlement agreement, annual amounts included in line 11 will be adjusted and reversed as necessary to ensure no overfunding of the wholesale reserve; i.e., the year-end reserve balance for OATT rates will not exceed the $8,614,774 shown on line 7

Note O: Payments by DEF to an Affected System Operator pursuant to Orders 2003 or 2006 (including rehearing orders) are not to be included in the formula rate regardless of the accounting.

Note P: Target percentages are fixed for 2008 - 2012 and were derived from projected OATT LTF billing MW-months and the MW-month equivalent billings for STF and non-firm transmission revenues in the September 2007 DEF financial forecast.

Note Q: Actual LTF OATT MW-Months are the sum of Lines 11 and 12 above, as reported in Form-1 for Firm Network Service for Others and Long Term Firm Point-to-Point Service

Note R: Actual STF/Non-Firm equivalent "MW-Months" are equal to monthly STF/Non-firm transmission service revenue divided by the same "Total Firm Monthly Trans. $/MW-Month" rate (Page 1, Line 11) from which the STF/Non-firm billing rates were derived

Note S: Section 2.12 of Schedule 10.3 states “The Formula Rate excludes all costs that are properly directly assigned or assignable to one or more particula customers, including costs directly assigned or assignable to DEF.” Per Settlement of 2008 Annual Update, the amount specified excludes directly assignable retail costs/credits booked to Account 935 and retail sales tax portion of Florida sales tax audit expense booked to Account 930.2 from Form-1 reported value.

Note T: Network prepayments include interest that has been accrued but not yet refunded.

Note U: The inclusion of Line 24, "Unfunded Reserves," ensures that identified "Unfunded Reserves" are appropriately excluded from rate base in the Formula Rate calculations. The specific treatment of these "Unfunded Reserves" in no way precludes the Transmission Provider or interested parties from making any argument in any proceeding at the Commission or in any review or challenge proceeding under the Formula Rate as to the appropriate accounting or ratemaking treatment in the Formula Rate of any unfunded reserve.

Note V: Adjusted to remove AFUDC accruals from CWIP projects that were included in rate base. Qualifying CWIP excludes CWIP associated with direct assignment radials. The actual projects are listed on DEF-9. See also Schedules 10-A.3 § 2.2 and Schedule 10.A.4.

Note W: Should DEF construct and own radials directly assignable to wholesale customers, DEF shall make a Section 205 filing to amend its Formula Rate Template to remove the costs associated with wholesale direct assignment radials from the calculation of the OATT base rates. A new attachment (e.g., Exhibit DEF-x) shall be added to the template that sets forth the direct assignment radials by customer and by facility, showing the associated monthly balances for gross plant and accumulated depreciation reserves separately by project. The intent is that the accumulated depreciation reserves be maintained separately by customer and by project to capture the associated costs by customer and to reflect the appropriate effect of the vintage of each project. Such Exhibit DEF-x shall be structured to accommodate direct assignments to multiple wholesale customers. Exhibit DEF-2 shall be modified to remove the direct assignment wholesale radials from the base rate calculations in a manner consistent with retail radials, except that Exhibit DEF-2 shall be further modified to set forth separately the costs allocated to each wholesale customer's direct assignment radials in the aggregate in separate columns. Such Section 205 filing shall be made sufficiently in advance of the first occurrence of a direct assignment wholesale transmission radial to permit the requisite modifications to the Formula Rate Template to become effective with the in-service date of the associated facility.

Note X: The prepayments allocable to transmission service under the Formula Rate shall exclude prepayments for service and materials under service agreements for the equipment replacement, or operation and maintenance, including refurbishment, of production or distribution facilities of the Company. However, prepayments for such service and materials for Company-owned transmission facilities shall be allocated using the transmission plant allocator. Remaining prepayments shall continue to be allocated on the basis of gross plant investment.

DUKE ENERGY FLORIDA, INC.
Transmission Rate Formula Support - Revenue Credits
Account 454

		Transmission
Total Account 454	**0**	**0**

DUKE ENERGY FLORIDA, INC.
Transmission Rate Formula Support - Revenue Credits
Account 456.1

Form 1 Reference	Payment by (Column (b))	Classification (Col (d))	Rate Schedule (Col (e))	Total Revenues (Column (n))
	Total Transmission for Others			**0**
	Total Classified as Non-Firm = Revenue Credit			**0**
	Short Term Firm - Revenue Credit			**0**
	Total 456 NF + STF Revenue			**0**
	Less Associated Ancillaries			**0**
	Net OATT Revenue Credit			**0**

DUKE ENERGY FLORIDA, INC.
Transmission Rate Formula Support - Account 353 Generator Step-up Transformers

Plant	Bank	Peaker/ Unit	Book Cost	Vintage
Total			**$0**	

DUKE ENERGY FLORIDA, INC.

Transmission Rate Formula Support - Interconnection Facilities
Generation In-Service After March 15, 2000 per FERC Order 2003

Unit(s)	Description	Beginning Balance	Ending Balance	B/E Average
Total Interconnection Facilities		0	0	0

DUKE ENERGY FLORIDA, INC.
Accumulated Deferred Tax Detail - Prior Year

Account	Description	Accumulated Deferred Tax at 12/31/xxxx	Allocator	Factor	Result
190	**Balance in Account 190**	**0**			**0**
281	**Balance in Account 281**	**0**			**0**
282	**Balance in Account 282**	**0**			**0**
283	**Balance in Account 283**	**0**			**0**
	Total Accumulated Deferred Income Tax	**0**			**0**

DUKE ENERGY FLORIDA, INC.
Accumulated Deferred Tax Detail - Current Year

Account	Description	Accumulated Deferred Tax at 12/31/xxxx	Allocator	Factor	Result
190	**Balance in Account 190**	**0**			**0**
281	**Balance in Account 281**	**0**			**0**
282	**Balance in Account 282**	**0**			**0**
283	**Balance in Account 283**	**0**			**0**
	Total Accumulated Deferred Income Tax	**0**			**0**

DUKE ENERGY FLORIDA, INC.

Unfunded Reserves

Account	Description	Beginning Balance	Ending Balance	B/E Average	Allocator	Value	Result
	Identified Reserves:						
	Total Reserves	0	0	0			0
	Less Externally Funded Amounts:						
	Total Externally Funded Amounts	0	0	0			0
	Net Unfunded Reserves	0	0	0			0

DUKE ENERGY FLORIDA, INC.
Transmission Rate Formula Support - List of Inputs from FERC Form-1

Page	Row	Column	Description	Reference	Beginning Balance	Ending Balance or Annual Value
111	57	c&d	Prepayments	111.57.c&d		
111	81	c&d	Loss on Reacquired Debt	111.81.c&d		
112	3	c&d	Preferred Stock Issued	112.3.c&d		
112	12	c&d	Account 216.1	112.12.c&d		
112	16	c&d	Proprietary Capital	112.16.c&d		
112	24	c&d	Long-Term Debt	112.24.c&d		
113	61	c&d	Gain on Reacquired Debt	113.61.c&d		
117	62 thru 67	c	Long-Term Interest Expense	117.62 thru 67.c		
118	29	c	Preferred Dividends (positive)	118.29.c		
200	21	c	Intangible Amort. Reserve	200.21.c		
204&205	5	b&g	Intangible Plant	204&205.5.b&g		
204&205	46	b&g	Production Plant	204&205.46.b&g		
206&207	58	b&g	Transmission Plant	206&207.58.b&g		
206&207	75	b&g	Distribution Plant	206&207.75.b&g		
206&207	99	b&g	General Plant	206&207.99.b&g		
214	47	d	Plant Held for Future Use (Trans. Only)	214.47.d		
219	20 thru 24	c	Production Depr. Reserve	219.20 thru 24.c		
219	25	c	Transmission Depr. Reserve	219.25.c		
219	26	c	Distribution Depr. Reserve	219.26.c		
219	28	c	General Depr. Reserve	219.28.c		
227	8	b&c	M&S - Transmission	227.8.b&c		
227	16	b&c	M&S - Stores Expense	227.16.b&c		
230a	5	b	Total Extraordniary Property Loss - Wholesale	230a.5.b		
230a	5	e	Total Extraordniary Property Loss - Wholesale	230a.5.e		
230a	5	f	Extraordinary Property Losses - Balance	230a.5.f		
234	8	b&c	ADIT - 190	234.8.b&c		
263	4	i	Other Taxes - FICA	263.4.i		
263	5	i	Other Taxes - Unemployment Taxes	263.5.i		
263	6	i	Other Taxes - Highway and Fuel Taxes	263.6.i		
263	11	i	Other Taxes - Unemployment Taxes	263.11.i		
			Other Taxes - Intangibles			
263	18	i	Other Taxes - Property Taxes	263.18.i		
266	8	f	Amortized ITC (Negative)	266.8.f		
266&267	8	b&h	Accum Deferred ITC - 255 (Negative)	266&267.8.b&h		
272&273	8	b&k	ADIT - 281 (Negative)	272&273.8.b&k		
274&275	2	b&k	ADIT - 282 (Negative)	274&275.2.b&k		
276&277	9	b&k	ADIT - 283 Excluding FAS 109 (Neg.)	276&277.9.b&k		
321	84 thru 92	b	(561) Transmission of Electricity by Others	321.84 thru 92.b		
321	96	b	(565) Transmission of Electricity by Others	321.96.b		
321	112	b	TOTAL Transmission Expenses	321.112.b		
323	185	b	(924) Property Insurance	323.185.b		
323	189	b	(928) Regulatory Commission Expenses	323.189.b		
323	191	b	(930.1) General Advertising Expenses	323.191.b		
323	197	b	Total Admin & General Expenses	323.197.b		
335	1	b	Industry Association Dues	335.1.b		
336	1	f	Intangible Amortization	336.1.f		
336	7	f	Transmission Depr. Expense	336.7.f		
336	10	f	General Depr. Expense	336.10.f		
354	21	b	Transmission O&M Labor	354.21.b		
354	27	b	A&G Labor	354.27.b		
354	28	b	Total Direct Payroll - O&M Labor	354.28.b		
400	17	e	Firm Network Service for Self	400.17.e		
400	17	f	Firm Network Service for Others	400.17.f		
400	17	g	Long-Term Firm PTP Reservations	400.17.g		
400	17	h	Other Long-Term Firm Service	400.17.h		
400	17	i	Short-Term Firm PTP Reservations	400.17.i		

Rate Base Items from Prior Year Form 1 (Year End Value Where Not Available as Beginning Balance Above

200	21	c	Intangible Amort. Reserve	200.21.c		
214	47	d	Plant Held for Future Use (Trans Only)	214.47.d		
219	20 thru 24	c	Production Depr. Reserve	219.20 thru 24.c		
219	25	c	Transmission Depr. Reserve	219.25.c		
219	26	c	Distribution Depr. Reserve	219.26.c		
219	28	c	General Depr. Reserve	219.28.c		
230a	5	f	Extraordinary Property Losses - Balance	230a.5.f		

DUKE ENERGY FLORIDA, INC.

OATT Settlement - 2004 Storm Treatment

Line No.								
1	**Determination of Levelized Storm Damage Recovery Adder**							
2								
3	**Total Funding Requirements**							
4								
5	Total Funding Requirements							
6	Amortize Existing Loss	(DEF-2, Page 5, Line 4)	$13,307,907					
7	Rebuild Reserve	(DEF-2, Page 5, Line 7)	8,614,774					
8	Total 2008-2012		$21,922,681					
9	Less:							
10	Amount assumed to be collected from non-OATT service:							
11	Annual Amount	(DEF-2, Page 5, Line 8)	$368,845					
12	Five-Year Total	(Line 11 * 5)	$1,844,224					
13								
14	Net 5-Year Requirement	(Line 8 - Line 12)	$20,078,457					
15								
16	**Annual Recovery Requirements**		**2008**	**2009**	**2010**	**2011**	**2012**	**Total**
17								
18	Projected Billing Units (MW-months)							
19	LTF on OATT	(Projected and Fixed)	6,593	13,904	30,194	37,331	39,889	127,912
20	STF/Non-Firm on OATT	(Projected and Fixed)	3,000	3,000	3,000	3,000	3,000	15,000
21	Total Projected Billing Units		9,593	16,904	33,194	40,331	42,889	142,912
22								
23	Annual Percentages	(Fixed - Note P)	6.71%	11.83%	23.23%	28.22%	30.01%	100.0%
24								
25	Annual Recovery Requirements							
26	Amortize Existing Loss	(Ln 23 * Ln 6 / Ln 8 * Ln 14)	$818,184	$1,441,693	$2,831,030	$3,439,662	$3,657,824	$12,188,392
27	Rebuild Reserve	(Ln 23 * Ln 7 / Ln 8 * Ln 14)	529,645	933,269	1,832,646	2,226,639	2,367,865	7,890,064
28	Total		$1,347,829	$2,374,963	$4,663,676	$5,666,301	$6,025,688	$20,078,457
29								
30	**Levelized Storm Damage Recovery**							
31	**Adder ($/MW-mo)**	(Line 28 / Line 21)	**$140**	**$140**	**$140**	**$140**	**$140**	**$140**
32								
33	**Example Application of Levelized Adder and Annual True-Up**							
34								
35	Actual Billing Units (MW-months) (Notes Q and R)							
36	LTF on OATT	(Actual MW-Months)	6,923	14,599	31,704	39,197	41,883	134,307
37	STF/Non-Firm on OATT	(Actual Equiv. MW-Months)	3,150	3,150	3,150	3,150	3,150	15,750
38	Total Billing Units	(Line 36 + Line 37)	10,073	17,749	34,854	42,347	45,033	150,057
39								
40	Actual Recoveries of Existing Loss & Reserve Replenishment							
41	LTF on OATT	(Line 31 * Line 36)	$972,659	$2,051,150	$4,454,299	$5,507,054	$5,884,412	$18,869,573
42	STF/Non-Firm on OATT	(Line 31 * Line 37)	442,561	442,561	442,561	442,561	442,561	2,212,806
43	Total Collections	(Line 41 + Line 42)	$1,415,220	$2,493,711	$4,896,860	$5,949,616	$6,326,973	$21,082,379
44								
45	**Over(Under) Recovery to Be Reflected**							
46	**In Annual True-Ups**	(Line 43 - Line 28)	**67,391**	**118,748**	**233,184**	**283,315**	**301,284**	**1,003,923**
47								
49								
50	**Storm Reserve Balance Tracking:**							**2013 'til Extraordinary Loss**
51								
52	Beginning Balance		(13,307,907)	(11,591,234)	(8,847,426)	(3,814,905)	2,220,241	**8,614,774**
53								
54	Funding From OATT Adder	(Line 28)	1,347,829	2,374,963	4,663,676	5,666,301	6,025,688	
55	Existing Wholesale Accrual	(Line 11)	368,845	368,845	368,845	368,845	368,845	
56								
57	Ending Balance		(11,591,234)	(8,847,426)	(3,814,905)	2,220,241	8,614,774	**8,614,774**
58								
59	Maximum Reserve per Settlement		8,614,774	8,614,774	8,614,774	8,614,774	8,614,774	8,614,774
60								
61	Adjustment:		0	0	0	0	0	0

DUKE ENERGY FLORIDA
PREPAYMENTS FOR NETWORK UPGRADES

252 Customer advances for construction.
This account shall include advances by customers for construction which are to be refunded either wholly or in part. When a customer is refunded the entire amount to which he is entitled, according to the agreement or rule under which the advance was made the balance, if any, remaining in this account shall be credited to the respective plant account.

EXAMPLE

NETWORK UPGRADE COST		$ 1,000,000
DEPRECIABLE LIFE		40-YRS
ANNUAL FERC INTEREST RATE	ANNUALLY	6%
REFUND OVER 5 -YRS	ANNUALLY	$ 200,000

SCENARIO 1:

YEAR OF IN-SERVICE:

DESCRIPTION	FERC	DEBIT	CREDIT
ELEC. PLNT IN-SVC	101	$ 1,000,000	
CUSTOMER ADVANCES	252		$ 1,000,000

1st REFUND:

DESCRIPTION	FERC	DEBIT	CREDIT
CASH	130		$ 260,000
CUSTOMER ADVANCES	252	$ 200,000	
INTEREST EXP	431	$ 60,000	

	RATE BASE	EXPENSE
FORMULA INPUT - EPIS $_{YR-1}$	**$ 1,000,000**	
BEGINNING BAL.	$ (1,000,000)	
INTEREST EXPENSE $_{YR-1}$	$ (60,000)	$ 60,000
REFUND $_{YR-1}$	$ 260,000	
FORMULA INPUT $_{YR-1}$	**$ (800,000)**	**$ 60,000**
FORMULA INPUT - EPIS $_{YR-2}$	**$ 1,000,000**	
FORMULA ACCUM. DEP $_{YR-2}$	**$ (25,000)**	
BEGINNING BAL.	$ (800,000)	
INTEREST EXPENSE $_{YR-2}$	$ (48,000)	$ 48,000
REFUND $_{YR-2}$		
FORMULA INPUT $_{YR-2}$	**$ (848,000)**	**$ 48,000**

SCENARIO 2:

RECOVERY OF INTEREST: PER AGREEMENT WITH CUSTOMERS, INTEREST WILL BE RECOVERED UPON PAYMENT AND NOT AS ACCRUED. THIS WILL CREATE A REGULATORY ASSET TO RECOGNIZE THE DEFERRED COST RECOVERY.

YEAR OF IN-SERVICE:

DESCRIPTION	FERC	DEBIT	CREDIT
ELEC. PLNT IN-SVC	101	$ 1,000,000	
CUSTOMER ADVANCES	252		$ 1,000,000

YR-1 NO REFUND:

DESCRIPTION	FERC	DEBIT	CREDIT
CUSTOMER ADVANCES	252		$ 60,000
INTEREST ACCRUED	431	$ 60,000	
REG ASSET (INTEREST ACCRUED)	182.3	$ 60,000	
INTEREST ACCRUED DEFERRAL	407.4		$ 60,000

YR-5 WITH REFUND:

DESCRIPTION	FERC	DEBIT	CREDIT
CUSTOMER ADVANCES	252	$ 1,338,226	
CASH	131		$ 1,338,226
REG ASSET (INTEREST ACCRUED)	182.3		$ 338,226
INTEREST ACCRUED DEFERRAL	407.3	$ 338,226	

	RATE BASE	EXPENSE
IF NOT REFUNDED UNTIL YR 5, THAN:		
BEGINNING BAL.	$ (1,000,000)	
INTEREST ACCRUED $_{YR-1}$	$ (60,000)	$ (60,000)
REG. ASSET (INTEREST ACCRUED) $_{YR-1}$	$ 60,000	$ 60,000
FORMULA INPUT $_{YR-1}$	**$ (1,000,000)**	**$ -**
INTEREST ACCRUED $_{YR-2}$	$ (63,600)	$ (63,600)
REG. ASSET (INTEREST ACCRUED) $_{YR-2}$	$ 63,600	$ 63,600
FORMULA INPUT $_{YR-2}$	**$ (1,000,000)**	**$ -**
INTEREST ACCRUED $_{YR-3}$	$ (67,416)	$ (67,416)
REG. ASSET (INTEREST ACCRUED) $_{YR-3}$	$ 67,416	$ 67,416
FORMULA INPUT $_{YR-3}$	**$ (1,000,000)**	**$ -**
INTEREST ACCRUED $_{YR-4}$	$ (71,461)	$ (71,461)
REG. ASSET (INTEREST ACCRUED) $_{YR-4}$	$ 71,461	$ 71,461
FORMULA INPUT $_{YR-4}$	**$ (1,000,000)**	**$ -**
INTEREST ACCRUED $_{YR-5}$	$ (75,749)	$ (75,749)
REG. ASSET (INTEREST ACCRUED) $_{YR-5}$	$ 75,749	$ 75,749
REFUND $_{YR-5}$	$ 1,000,000	$ 338,226
FORMULA INPUT $_{YR-5}$	**$ -**	**$ 338,226**

DUKE ENERGY FLORIDA, INC.

Transmission Rate Formula Support - Direct Assignment Retail Radials in Accordance with OATT Attachment U

Line	Project Description:	Project 1	Project 2	…	…	…	…	Project N	Total Projects
	Gross Plant in Service:								
1	Beginning Balance	0	0					0	0
2	Additions	0	0					0	0
3	Retirements	0	0					0	0
4	Adjustments	0	0					0	0
5	Ending Balance	0	0					0	0
6	B/E Average	0	0					0	0
	Accumulated Depreciation:								
7	Beginning Balance	0	0					0	0
8	Annual Deprecation Expense	0	0					0	0
9	Adjustments	0	0					0	0
10	Ending Balance	0	0					0	0
11	B/E Balance	0	0					0	0

DUKE ENERGY FLORIDA, INC.

Transmission Rate Formula Support – Depreciation Rates

The rates in the table below are those used in the calculation of depreciation expense and associated accumulated depreciation reserve amounts in the FERC Form 1 and reported and utilized on Exhibit DEF-2.

Depreciation and Amortization Rates by FERC Account	Florida PSC Approved Rate*
STEAM PRODUCTION	
Anclote Steam	
311 Structures and Improvements	1.9
312 Boiler Plant Equipment	2.2
314 Turbogenerator Units	2.8
315 Accessory Electric Equipment	1.6
316 Misc. Power Plant Equipment	1.6
Crystal River 1 & 2 Steam	
311 Structures and Improvements	2.2
312 Boiler Plant Equipment	3.7
314 Turbogenerator Units	2.5
315 Accessory Electric Equipment	2.6
316 Misc. Power Plant Equipment	2.1
Crystal River 4 & 5 Steam	
311 Structures and Improvements	1.5
312 Boiler Plant Equipment	2.5
314 Turbogenerator Units	1.0
315 Accessory Electric Equipment	1.0
316 Misc. Power Plant Equipment	2.1
Suwannee River Steam	
311 Structures and Improvements	2.3

DUKE ENERGY FLORIDA, INC.

Transmission Rate Formula Support – Depreciation Rates

The rates in the table below are those used in the calculation of depreciation expense and associated accumulated depreciation reserve amounts in the FERC Form 1 and reported and utilized on Exhibit DEF-2.

Depreciation and Amortization Rates by FERC Account	Florida PSC Approved Rate*
312 Boiler Plant Equipment	3.1
314 Turbogenerator Units	2.9
315 Accessory Electric Equipment	2.6
316 Misc. Power Plant Equipment	2.9
Bartow/Ancl. Pipeline	
311 Structures and Improvements	1.8
312 Boiler Plant Equipment	2.6
315 Accessory Electric Equipment	1.4
316 Misc. Power Plant Equipment	3.4
Other Steam Production	
311 Structures and Improvements	1.4
312 Boiler Plant Equipment	0.7
316 Misc. Power Plant Equipment	3.7
NUCLEAR PRODUCTION	
Crystal River #3	
321 Structures and Improvements	1.5
322 Reactor Plant Equipment	3.3
323 Turbogenerator Units	1.2
324 Accessory Electric Equipment	1.4
325 Misc. Power Plant Equipment	1.7
OTHER PRODUCTION	
Avon Park Peaking	
341 Structures and Improvements	0.6
342 Fuel Holders, Prod. and Accessories	4.8
343 Prime Movers	3.0
344 Generators	0.1
345 Accessory Electric Equipment	0.5
346 Misc. Power Plant Equipment	3.2
Bartow Peaking	
341 Structures and Improvements	1.7
342 Fuel Holders, Prod. and Accessories	3.0
343 Prime Movers	1.6

DUKE ENERGY FLORIDA, INC.

Transmission Rate Formula Support – Depreciation Rates

The rates in the table below are those used in the calculation of depreciation expense and associated accumulated depreciation reserve amounts in the FERC Form 1 and reported and utilized on Exhibit DEF-2.

Depreciation and Amortization Rates by FERC Account	Florida PSC Approved Rate*
Depreciation and Amortization Rates by FERC Account	
344 Generators	2.1
345 Accessory Electric Equipment	1.8
346 Misc. Power Plant Equipment	0.4
Bartow Combined Cycle	
342 Fuel Holders, Prod. and Accessories	3.2
343 Prime Movers	3.3
Bayboro Peaking	
341 Structures and Improvements	1.0
342 Fuel Holders, Prod. and Accessories	3.0
343 Prime Movers	2.3
344 Generators	1.4
345 Accessory Electric Equipment	1.8
346 Misc. Power Plant Equipment	1.1
Debary Peaking	
341 Structures and Improvements	2.7
342 Fuel Holders, Prod. and Accessories	2.6
343 Prime Movers	3.0
344 Generators	2.4
345 Accessory Electric Equipment	2.5
346 Misc. Power Plant Equipment	3.3
Debary Peaking P7-10 (New)	
341 Structures and Improvements	3.3
342 Fuel Holders, Prod. and Accessories	4.0
343 Prime Movers	3.7
344 Generators	3.3
345 Accessory Electric Equipment	3.4
346 Misc. Power Plant Equipment	4.2
Higgins Peaking	
341 Structures and Improvements	2.9
342 Fuel Holders, Prod. and Accessories	5.4
343 Prime Movers	2.9

DUKE ENERGY FLORIDA, INC.

Transmission Rate Formula Support – Depreciation Rates

The rates in the table below are those used in the calculation of depreciation expense and associated accumulated depreciation reserve amounts in the FERC Form 1 and reported and utilized on Exhibit DEF-2.

Depreciation and Amortization Rates by FERC Account	Florida PSC Approved Rate*
344 Generators	2.5
345 Accessory Electric Equipment	3.3
346 Misc. Power Plant Equipment	4.6
Hines Energy Complex	
341 Structures and Improvements	2.9
342 Fuel Holders, Prod. and Accessories	3.2
343 Prime Movers	3.2
344 Generators	2.9
345 Accessory Electric Equipment	3.2
346 Misc. Power Plant Equipment	3.1
Hines Energy Complex Unit # 2	
341 Structures and Improvements	2.9
342 Fuel Holders, Prod. and Accessories	3.2
343 Prime Movers	3.3
344 Generators	2.9
345 Accessory Electric Equipment	3.2
346 Misc. Power Plant Equipment	3.1
Hines Energy Complex Unit # 3	
341 Structures and Improvements	2.9
342 Fuel Holders, Prod. and Accessories	3.2
343 Prime Movers	3.3
344 Generators	2.9
345 Accessory Electric Equipment	3.2
346 Misc. Power Plant Equipment	3.1
Hines Energy Complex Unit # 4	
341 Structures and Improvements	2.9
342 Fuel Holders, Prod. and Accessories	3.2
343 Prime Movers	3.3
344 Generators	2.9
345 Accessory Electric Equipment	3.2
346 Misc. Power Plant Equipment	3.1

DUKE ENERGY FLORIDA, INC.

Transmission Rate Formula Support – Depreciation Rates

The rates in the table below are those used in the calculation of depreciation expense and associated accumulated depreciation reserve amounts in the FERC Form 1 and reported and utilized on Exhibit DEF-2.

Depreciation and Amortization Rates by FERC Account	Florida PSC Approved Rate*
Intercession City Peak # 11	
341 Structures and Improvements	4.0
342 Fuel Holders, Prod. and Accessories	4.4
343 Prime Movers	4.6
344 Generators	4.0
345 Accessory Electric Equipment	4.0
346 Misc. Power Plant Equipment	3.8
Intercession City Peak P1-P6	
341 Structures and Improvements	2.9
342 Fuel Holders, Prod. and Accessories	6.6
343 Prime Movers	2.7
344 Generators	2.6
345 Accessory Electric Equipment	3.1
346 Misc. Power Plant Equipment	5.5
Intercession City Peak P12-P14	
341 Structures and Improvements	2.8
342 Fuel Holders, Prod. and Accessories	3.0
343 Prime Movers	2.9
344 Generators	2.5
345 Accessory Electric Equipment	2.6
346 Misc. Power Plant Equipment	3.1
Intercession City Peak P7-P10	
341 Structures and Improvements	2.5
342 Fuel Holders, Prod. and Accessories	2.8
343 Prime Movers	2.6
344 Generators	2.5
345 Accessory Electric Equipment	2.5
346 Misc. Power Plant Equipment	2.3

DUKE ENERGY FLORIDA, INC.

Transmission Rate Formula Support – Depreciation Rates

The rates in the table below are those used in the calculation of depreciation expense and associated accumulated depreciation reserve amounts in the FERC Form 1 and reported and utilized on Exhibit DEF-2.

Depreciation and Amortization Rates by FERC Account	Florida PSC Approved Rate*
Rio Pinar Peaking	
341 Structures and Improvements	3.2
342 Fuel Holders, Prod. and Accessories	4.0
343 Prime Movers	2.3
344 Generators	2.3
345 Accessory Electric Equipment	4.2
346 Misc. Power Plant Equipment	8.6
Suwannee River Peaking	
341 Structures and Improvements	1.3
342 Fuel Holders, Prod. and Accessories	3.3
343 Prime Movers	1.3
344 Generators	1.4
345 Accessory Electric Equipment	1.8
346 Misc. Power Plant Equipment	3.2
Tiger Bay Cogen	
341 Structures and Improvements	1.7
342 Fuel Holders, Prod. and Accessories	1.8
343 Prime Movers	1.4
344 Generators	1.8
345 Accessory Electric Equipment	2.1
346 Misc. Power Plant Equipment	1.4
Turner Peaking	
341 Structures and Improvements	2.0
342 Fuel Holders, Prod. and Accessories	3.0
343 Prime Movers	1.2
344 Generators	2.4
345 Accessory Electric Equipment	3.0
346 Misc. Power Plant Equipment	2.1
University of Fla Cogen	
341 Structures and Improvements	1.8
342 Fuel Holders, Prod. and Accessories	2.0
343 Prime Movers	2.5
344 Generators	1.8
345 Accessory Electric Equipment	1.9

DUKE ENERGY FLORIDA, INC.

Transmission Rate Formula Support – Depreciation Rates

The rates in the table below are those used in the calculation of depreciation expense and associated accumulated depreciation reserve amounts in the FERC Form 1 and reported and utilized on Exhibit DEF-2.

Depreciation and Amortization Rates by FERC Account	Florida PSC Approved Rate*
346 Misc. Power Plant Equipment	1.5
System-Other	
346 Misc. Power Plant Equipment	1.5
DISTRIBUTION PLANT	
360.10 Land Rights	1.4
361.00 Structures and Improvements	1.4
362.00 Station Equipment	1.8
364.00 Poles, Towers and Fixtures	4.2
365.00 Overhead Conductors and Devices	2.7
366.00 Underground Conduit	1.6
367.00 Underground Conductors and Devices	3.0
368.00 Line Transformers	2.9
369.10 Services-Overhead	4.0
369.20 Services-Underground	2.2
370.00 Meters	6.0
371.00 Installation on Customers Premises	3.6
373.00 Street Lighting and Signal Systems	3.1
TRANSMISSION PLANT	
350.10 Land Rights	1.2
352.00 Structures and Improvements	1.4
353.10 Station Equipment	1.8
353.20 Station Equipment-Station Control	1.1
354.00 Towers and Fixtures	1.3
355.00 Poles and Fixtures	3.3
356.00 Overhead Conductors and Devices	1.9
357.00 Underground Conduit	1.2
358.00 Underground Conductors & Devices	2.0
359.00 Roads and Trails	0.9
General Plant	
390.00 Structures and Improvements	3.7
391.00 Office Furniture and Equipment	14.3

DUKE ENERGY FLORIDA, INC.

Transmission Rate Formula Support – Depreciation Rates

The rates in the table below are those used in the calculation of depreciation expense and associated accumulated depreciation reserve amounts in the FERC Form 1 and reported and utilized on Exhibit DEF-2.

Depreciation and Amortization Rates by FERC Account	Florida PSC Approved Rate*
Transportation Equipment	
392.10 Passenger Cars	8.7
392.20 Light Trucks	8.7
392.30 Heavy Trucks	4.8
392.40 Special Trucks	5.0
392.50 Trailers	1.7
393.00 Stores Equipment	14.3
394.00 Tools, Shop and Garage Equipment	14.3
395.00 Laboratory Equipment	14.3
396.00 Power Operated Equipment	5.8
397.00 Communication Equipment	14.3
398.00 Miscellaneous Equipment	14.3
Intangible Plant	3.3
302.00 Franchise Costs	
303.00 Intangible Plant	20.0
303.00 Misc Intangible Plant	14.3
303.10 Customer Service System (CSS)	10.0

* All rates are those approved in the FPSC ORDER NO. PSC-10-0131-FOF-EI, DOCKET NOS. 090079-EI, 090144-EI, 090145-EI, with the exception of Intangible Plant which was not addressed in the 2009 Rate Case.

Consistent with Section 1(h)(i) of Schedule 10-A.1 Formula Rate Implementation Protocols, the depreciation rates are not subject to change except pursuant to a Section 205 or 206 filing under the Federal Power Act.

DUKE ENERGY FLORIDA, LLC

CWIP PROJECTS

Project Number	Project Name	Work Order Number	THOR Number
ER08-105 (2007)			
1	Nobleton Tap - Floral City Tap Rebuild		1779
1	Floral City Tap - Install MOS & SCADA	30000505	1779S1
1	Nobleton Tap - Floral City Tap (HB)69 kV line rebuild	30000477	1779T2
1	Floral City (DEF) Line Connection	30000493	1779T4
12	Dale Mabry - Zephyrhills North 230 kV Line		1801
12	60KK8D 1801S1 MORGAN ROAD	20070115	1801S1
12	60KK8D_1801T2_MORGANRD-DMTECO	20072702	1801T2
12	60KK8D_1801T6_DENHAM-MRG L1	20076539	1801T6
12	60KK8D_1801T4_Denham-Tampa Downs Line Reroute to Morgan Rd Sub	20076544	1801T4
12	60KK8D_1801T3_Land O Lakes-Denham Line Reroute to Morgan Rd Sub	20077703	1801T3
12	60KK8D_1801S4-Morgan Rd Switching Station	20095271	1801S4
21	Ulmerton - Gateway 115 kV Rebuild	N/A	2802T1
25	Belleair - Largo 69 kV Rebuild		1958
25	Largo Substation - Upgrade 69 kV Equipment to 2000A	N/A	1958S1
25	Belleair to Largo (LECW-1) - 69 kV Line Rebuild	N/A	1958T1
26	Oakhurst - Seminole 69 kV Rebuild	N/A	1959T1
27	East Clearwater - Highlands Rebuild		1961
27	East Clearwater - Upgrade 69 kV Equipment to 2000A	N/A	1961S1
27	East Clearwater to Highlands (ECTW-1) - 69 kV Line Rebuild	N/A	1961T1
38	Windermere 150 Mvar 230 kV Capacitor	N/A	1192S1
44	Rebuild Lake Bryan - Ruby 69 kV Line		1995
44	Lake Bryan - Upgrade Equipment to 2000A	30000496	1995S1
44	Lake Bryan to Vineland (LV) - 69 kV Line Rebuild	30000370	1995T1
46	Pinecastle - Sky Lake (WR-7) - 69 kV Rebuild 2.34 miles PCSL	20075920	1990T1
47	Rebuild Rio Pinar - Narcossee 69 kV Line		1991
47	Rio Pinar - Upgrade Equipment to 2000A	20070084	1991S1
47	DF - Neutral Reactors - Rio Pinar - Banks 1 and 4	20100662	1991S2
47	Rio Pinar to Narcoossee (RPN) - 69 kV Line Rebuild	20093911	1991T1
51	Rebuild Spring Lake - Keller Road 69 kV Line	30000366	1997T1
54	Rebuild West Lake Wales - Lake Wales 69 kV Lines		1936
54	West Lake Wales - Upgrade 69kV bus	N/A	1936S1
54	WLLW 69kV 4.52 mile rebuild (West Lk Wales-LkWales #1)	N/A	1936T1
54	WLL 69kV 4.46 mile rebuild (West Lk Wales-LkWales #2)	N/A	1936T2
64	Lake Agnes (TECo) to Gifford 230 kV Tie Line		1785
64	Lake Agnes (TECo) to Gifford 230 kV Tie Line	20058126	1785T1
64	Gifford 230kV terminal for the Lake Agnes-Gifford tie line	20062431	1785S2
85	High Springs to Hull Road 69 kV Line Rebuilds		1717
85	GE Alachua - Install GOAB	30000227	1717S3
85	GE Alachua to Hull Road (GH-1, 16.5) 69kV Line Rebuild	20043416	1717T1
85	Alachua to GE Alachua (GH-2) 69kV Line Rebuild	30000190	1717T3
85	Alachua Tap to Alachua (GH-3, 2.31mi) 69kV Line Rebuild	30000191	1717T4

DUKE ENERGY FLORIDA, LLC

CWIP PROJECTS

Project Number	Project Name	Work Order Number	THOR Number
94	Bushnell East 230/69 kV Project	20063144	2232T1
99	West Leon-New 115/69 kV Sub & Associated Lines		1783
99	Tallahassee Sub - Add 115kV Breakered Terminal for Liberty	20084454	1783S2
99	Jackson Bluff to Brickyard Tap	20090776	1783T4
99	Lake Talquin Tap - Add (2) MOS's and SCADA	20084460	1783S5
ER13-1105 (2013)			
113	Deltona to Orange City - New 115kV Line		2253
113	60KK8D_2253T1_DELTONA ORANGE	20078319	2253T1
113	Turner Plant - Retire 115kV Bkrs to Orange City & Deltona	20079871	2253S1
123	Perry to Drifton - New 115kV Ckt and Perry 230/115kV XFMR		2332
123	Perry Sub - New 230/115kV transformer	20087171	2332S1
123	Drifton Sub - Rplc 115kV Cap bank #2 w/new 30MVAR & Breaker	20099490	2332S3
123	Drifton Sub - 230/115kV Xfmr & 115kV Upgrades	30000080	2332S6
123	Eridu Tap 115kV - Add MOS's and SCADA	30000274	2332S7
123	Boyd Tap 115kV - Add MOS's and SCADA	30000320	2332S9
123	Perry Sub - 115kV Termination for new 115kV line to Drifton	20099488	2332T2
123	Drifton Sub - 115kV Termination for new 115kV to Perry	20099489	2332T3
124	60KK8D_2053T3_ATWATER-QUINCY	20075511	2053T3
126	Citrus Center - New 230/69 kV Substation	20087513	2154S2
127	Deland West to St. Johns Tap - 69 kV Line Rebuild	20087501	2217T1
128	Brooksville West - Loop in Brookridge to Hudson 230 kV	N/A	2224S1
129	60KK8D_2231T1 LECANTO-CITRUS	20087518	2231T1
130	Dunnellon to Rainbow Springs Tap (DR) - Rebuild 69 kV Line		2301
130	Dunnellon Tn -Rainbow Spgs Tp 69kV Rbld Phase 1	30000069	2301T1
130	Dunnellon Tn -Rainbow Spgs Tp 69kV Rbld Phase 2	30000070	2301T2
131	Brooksville to Tangerine - 115 kV Line Rebuild	20088093	2323T1
133	Central Florida to Picciola Tap - 69 kV Line Rebuild	30000445	2142T1
ER15-234 (2014)			
134	Bartow – reactor on 115kV cables		2407
134	Bartow 115kV Series Reactor	30000129	2407S1
134	NorthEast - Upgrade Bartow Line Relaying	30000130	2407S2
135	Hudson - Golden Acres Tp - New Port Richey - 115 kV Line Rebuild		2403
135	Hudson - Upgrade Jumpers to Golden Acres	30000200	2403S2
135	Hudson (WREC) Tap - Upgrade Relaying and Communications	30000201	2403S3
135	Hudson Tp - New Port Richey 115kV Line Rebuild	30000202	2403T1
136	SilvSp-Maricamp Rebuild		2065
136	Silver Springs - Maricamp 69 kV Line Rebuild	20087517	2065T1
136	Silver Springs 69 kV Sub - Upgrade	20103962	2065S1

DUKE ENERGY FLORIDA, LLC

CWIP PROJECTS

Project Number	Project Name	Work Order Number	THOR Number
137	Proctor Tap-Cara Tap Rebuild	T30000009	1789T4
138	CR Retirement - Griffin Area - Limiting Element Removal		2474
138	Griffin Sub - Restore 280 MVA Rating to Transformer	20104826	2474S1
138	Barcola Sub - Remove 1600A Wave Trap & Add Fiber Optic	20104827	2474S2
138	Kathleen Sub - Ampacity Upgrade	20104828	2474S3
138	West (LAK) Substation Upgrades	20104825	2474S4
138	Reconnect Kathleen-West (KWX) 230kV line into West sub	20140039	2474T4
138	Reconnect Barcola - West (BLX) 230 kV line into West Sub	20140040	2474T5
139	Dona Vista Sub		2427
139	Dona Vista Sub - Purchase land	20095922	2427S1
139	Dona Vista Sub - Construct New 230/69 kV Substation	30000181	2427S2
139	Haines Ck - Rem Lim Elems and Mod Relays for DonaVista	30000179	2427S3
139	Sorrento - Rem Lim Elem and Modify Relays for DonaVista	30000180	2427S4
139	Dona Vista - Loop in CFS 230kV and EU 69kV Lines	30000172	2427T1
140	Eustis-Dona Vista Line Rebuild	30000171	2426T1
143	JX rebuild and Jasper South		2430
143	Jasper- 115kV Bus Upgrade to 2000A	S30000015	2430S1
143	Rebuild Existing Jasper-Wrights Chapel 115kV Tie (9.59 mi)	20093916	2430T1
144	Tallahassee to Havana Rebuild as Double-ckt 115 & 69		2455
144	Hinson Tap - Install MO for GOAB SW 5377	30000446	2455S3
144	Sutters Creek Tap - Install MOs for GOAB	30000447	2455S4
144	Havana (TEC) Tap - Install MOs for GOAB	30000448	2455S5
144	Lake Jackson Tap - Install Mos for GOAB	30000449	2455S6
144	OakCty-Tall (TQ) 69kV: rbld as dbl ckt 115 and 69kV	30000453	2455T3
145	Jackson Bluff to Lake Talquin Tap 69 kV Rebuild	20100542	1783T5
146	North Longwood to Myrtle Lake - 230 kV Line Rebuild	20093919	2102T1
147	North Longwood to Sylvan (FPL) - 230 kV Line Rebuild		2102
147	NLongwood to FPL Sylvan (NLSX Double-Circuit)- 230kV Rebuild	20100541	2102T2
147	NLongwood to FPL Sylvan (NLSX Single-Circuit)- 230kV Rebuild	30000331	2102T3
148	Debary Plant to Orange City - New 230 kV Line		2382
148	DeBary Plant - New 230 kV Line Terminal	20100711	2382S1
148	Debary Plant to Orange City - New 230 kV Line	20093908	2382T1
149	Rio Pinar to FGT East - 69 kV Line Rebuild	30000386	2098T1
150	West Chapman to Winter Park East - 69 kV Line Rebuild	30000369	2316T1
151	Rio Pinar to Curry Ford - 230 kV Line Rebuild		2244
151	Rio Pinar - Upgrade 230 kV Facilities to 3000A	30000388	2244S1
151	Rio Pinar to Curry Ford (RX) - 230 kV Rebuild	20100539	2244T1
152	Myrtle Lake to Wekiva - 230 kV Line Rebuild	30000196	2422T1
153	Piedmont to Wekiva - 230 kV Line Rebuild		2471
153	Piedmont - Upgrade 230 kV Equipment to 3000A	30000333	2471S1
153	Piedmont to Wekiva (NLP-3) - 230 kV Line Rebuild	30000335	2471T1

DUKE ENERGY FLORIDA, LLC

CWIP PROJECTS

Project Number	Project Name	Work Order Number	THOR Number
156	Avon Park to Avon Park North - 69 kV Line Rebuild		2093
156	Avon Park - Upgrade 69kV Equipment to 2000A	20093782	2093S1
156	Avon Park-Avon Park North 69 kV Rebuild, 3.69 mi	20087165	2093T1

GLOSSARY OF TERMS:

N/A - means not available because a Work Order Number has not been assigned.

Work Order Number - is also known as a Project ID # that is part of DEF's internal accounting system and considered the primary means to reference a project's status and charges.

THOR Number - means an identifying number that is automatically generated by THOR, a software application developed by DEF for the purpose of managing technical and financial aspects of transmission capital projects from conception to project in-service and work order closing.

Date Prepared: December 16, 2015

DUKE ENERGY FLORIDA, LLC
Transmission Construction Work in Progress Included in Rate Base
Year Ending 12/31/YYYY

DEF-9 Project Number	Project Name	Work Order Number	THOR Number	Original Planned Date	Original Estimated Cost	Current Status	Current Planned Date	Current System Need Date	Current Estimated Cost	Acct. 107 Beginning Balance	Acct. 107 Ending Balance	Explanatory Comments
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
	[List of Projects]											
	Total All Projects											
	Total Excluding Suspended Projects											

General Instructions:

(1) This Exhibit DEF-9A shall be populated with data regarding transmission-related CWIP projects the costs of which FERC has authorized the Company to include in its transmission rate base under this Formula Rate, such authorization resulting from a proceeding under Section 205 or 206 of the Federal Power Act. Such projects are listed in Exhibit DEF-9.

(2) For each such transmission construction project, one row shall be added to the table above and populated with the data regarding that project; provided, however, that projects may be divided into subprojects in circumstances where DEF reasonably determines that such subprojects will not alter or expand in any material fashion the scope of the original project as authorized by the Commission or cause a significant change in project cost due to a change in project scope. The data for the subprojects shall be entered on consecutive rows.

(3) Rows shall be grouped with respect to the FERC proceedings in which inclusion of the projects was authorized, and each such grouping shall be headed with a row identifying the corresponding FERC docket number(s).

Column Contents:

(a) DEF-9 Project Number: Reference to number of the project as shown on DEF-9.

(b) Project Name: Descriptive name or title of the project or subproject.

(c) Work Order Number: Also known as a Project ID # that is part of DEF's internal accounting system and considered the primary means to reference a project's status and charges. "N/A" means a Work Order Number has not been assigned.

(d) THOR Number: An Identifying number that is automatically generated by THOR, a software application developed by DEF for the purpose of managing technical and financial aspects of transmission capital projects from conception to project in-service and work order closing.

(e) Original Planned Date: means the target date that DEF planned to strive to meet for completing construction at the time DEF submitted a filing with FERC for approval of CWIP recovery for the project.

(f) Original Estimated Cost: The estimated total construction cost of the project at the time DEF submitted a filing with FERC for approval of CWIP recovery for the project.

DUKE ENERGY FLORIDA, LLC
Transmission Construction Work in Progress Included in Rate Base
Year Ending 12/31/YYYY

DEF-9 Project Number	Project Name	Work Order Number	THOR Number	Original Planned Date	Original Estimated Cost	Current Status	Current Planned Date	Current System Need Date	Current Estimated Cost	Acct. 107 Beginning Balance	Acct. 107 Ending Balance	Explanatory Comments
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)

(g) Current Status: either "Completed," "Active," "Suspended," or "Cancelled."
(A) "Completed" means the project is in service and all charges have been collected and recorded in Account 106.
(B) "Active" means the project is under construction and has not been completed, suspended or cancelled.
(C) "Suspended" means the project has been approved for CWIP recovery but is under review and is not eligible for recovery in the transmission formula rate.
(D) "Cancelled" means the project was approved for CWIP recovery but construction of the project has been cancelled.

(h) Current Planned Date: means the most recent target date that DEF intends to strive to meet for completing construction.

(i) Current System Need Date: The date by which DEF most recently determined that the facility would need to be in service to avoid a situation for which there may be no post-contingency mitigation.

(j) Current Estimated Cost: The most recently estimated total construction cost of the project.

(k) Acct. 107 Beginning Balance: The total cost of the project as properly recorded in FERC Account 107, as of the beginning of the year.

(l) Acct. 107 Ending Balance: The total cost of the project as properly recorded in FERC Account 107, as of the end of the year.

(m) Explanatory Comments: Any additional information that is necessary or helpful.

Date Prepared: _____

SCHEDULE 10-A.3

Notes for Formula Rate

[DEF Zone]

Section 1 General Instruction

The following notes to the Formula Rate template in Schedule 10-A.2 of the Tariff of the Transmission Provider (also referred to herein as "DEF") shall govern the use and application of the Formula Rate and constitute an integral part of the Formula Rate.

Section 2 Notes

2.1 Order No. 679 Transmission Incentives.

(i) DEF shall not make an Order No. 679 transmission incentives filing for its transmission construction projects during an approximately four-year period of time that extends from the date hereof through December 31, 2011 (the "Order No. 679 Rate Moratorium").[1] DEF shall have the right to file for Order No. 679 transmission incentives for its transmission construction projects that meet the criteria under Section 2.1(ii) below after December 31, 2011, and the Customers reserve the right to oppose any such filing; provided, however, that a condition precedent to any such filing by DEF is that DEF shall have provided written notice to the Customers at least ninety (90) days prior to such filing of DEF's intent to make such filing. Thus, for example, if DEF intends to make such an Order 679 transmission incentives filing on March 1, 2012, it would be required to provide written notice of such filing on or before December 2, 2011, failing which the filing would be a nullity.

(ii) After the Order No. 679 Rate Moratorium expires and provided that

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[1] *Promoting Transmission Investment through Pricing Reform*, Order No. 679, 71 Fed. Reg. 43,294 (July 31, 2006), FERC Stats. & Regs. ¶ 31,222 (2006), *order on reh'g*, Order No. 679-A, 72 Fed. Reg. 1,152 (January 10, 2007), FERC Stats. & Regs. ¶ 31,236 (2006), *order on reh'g*, 119 FERC ¶ 61,062 (2007). The reference herein to "Order No. 679" includes any order issued by the FERC prior or subsequent to the filing of this Settlement Agreement

proper advance notice is provided in accordance with Section 2.1(i) above, DEF may file at the Commission for any transmission incentives for its transmission construction projects that are permitted by Order No. 679, except that DEF may not file for transmission incentives for any transmission construction project that has reached a point in development in which costs of the transmission project have begun to be capitalized by DEF (i.e., DEF has begun the accrual of costs for the transmission construction project in Account 107 in accordance with generally accepted accounting practices) during the Order No. 679 Rate Moratorium. DEF may not intentionally delay or defer the accrual of costs for a transmission construction project in Account 107 in order to make a transmission construction project eligible for Order No. 679 transmission incentives.

2.2 50% CWIP Recovery. The Formula Rate includes 50% recovery of the average of the beginning and end-of-year CWIP balances only for those transmission projects identified in the Formula Rate Filing. DEF agrees that the submission for 50% CWIP recovery shall be filed in accordance with the requirements in the Commission's regulations (18 C.F.R. § 35.25(f)) and existing precedent on the issue (including *Northeast Utilities Service Company*, 114 FERC ¶ 61,089 (2006); *Boston Edison Company*, 109 FERC ¶ 61,300 (2004), *order on reh'g*, 111 FERC ¶ 61,266 (2005); and *United Illuminating Company*, Docket Nos. ER05-1049-000 *et al.*, Letter Order). DEF agrees that the submission shall make CWIP showings and waiver requests that are comparable to the showings and waiver requests that were submitted and accepted by the Commission in the aforementioned cases. Consistent with then applicable Commission regulations and precedent, DEF must make a FPA Section 205 filing if it wishes to request 50% CWIP recovery for any additional transmission projects in the future.

that pertains to rate incentives of any sort for construction of transmission facilities.

2.3 ROE. The Formula Rate shall include a 10.0% rate of return on common equity ("ROE"). DEF and each of the Transmission Customers shall have no FPA Section 205 or 206 rights, respectively, to seek a change to the ROE in the Formula Rate that would become effective prior to January 1, 2018, nor shall DEF or a Transmission Customer make an FPA Section 205 or 206 filing prior to January 1, 2018 to seek a change to the ROE in the Formula Rate. On or after January 1, 2018, DEF and each of the Transmission Customers shall have FPA Section 205 or 206 rights, respectively, to make a filing to seek a change to the ROE in the Formula Rate.

2.4 Storm Damage.

(i) With respect to the amortization of prior extraordinary property losses recorded in FERC Account 182.1 in connection with the series of four hurricanes that damaged the DEF transmission system during a six-week period in 2004, the Formula Rate shall amortize this existing extraordinary loss over a five-year period beginning January 1, 2008, and the annual amortization shall be calculated in accordance with the methodology included in the Formula Rate.

(ii) The Formula Rate shall include an accrual to rebuild the wholesale storm reserve balance over a five-year period beginning January 1, 2008, and the accrual shall be calculated in accordance with the methodology included in the Formula Rate. These storm damage reserve accruals are subject to the cap set forth in Section 2.4(iv). The Formula Rate shall not include accruals to rebuild the wholesale storm reserve balance as a result of the 2004 hurricanes after the end of the five-year recovery period.

(iii) The Formula Rate shall include an ongoing accrual assigned to wholesale customers for storm damage reserve of $434,000 each year. These ongoing accruals are subject

to the cap set forth in Section 2.4(iv).

(iv) The accruals described in Section 2.4(ii) and(iii) shall be subject to a cap to ensure that there is no over-funding of storm damage reserve funds. Under the cap, the total accruals in each year shall be subject to reduction (and possible reversal to negative amounts) as necessary to avoid over-funding the wholesale portion of the storm damage reserve funds, i.e., in order to maintain the wholesale portion of DEF's storm reserve fund balance at no more than the transmission allocated portion of the $140.2 million maximum storm damage reserve level.

(v) To ensure that there is no double recovery of storm damage reserve accruals, the Formula Rate shall exclude the accruals, described in Sections 2.4(i), (ii) and (iii), from FERC Account 924 and all other expenses included in the Formula Rate.

(vi) The Formula Rate includes a worksheet that illustrates the methodology for the storm damage recovery described in Sections 2.4(i) and (ii).

2.5 Transmission Divisor.

(i) The transmission load divisor in the Formula Rate shall be determined in the following manner:

(1) For Network Integration Service under the OATT and for transmission services similar to Network Integration Service under the OATT (e.g., DEF's service to its native load and service under certain grandfathered agreements), except those services identified in item (2), the transmission load divisor shall include the actual demands of those transmission customers at the time of DEF's monthly transmission system peaks.

(2) For Network Contract Demand Service under the OATT and transmission services similar to Network Contract Demand Service under the OATT (e.g., DEF's service under certain grandfathered agreements), the transmission load divisor shall include the contract demands of those transmission customers at the time of DEF's monthly transmission system peaks.

(3) For Long-Term Firm Point-to-Point Transmission Service and Conditional Firm Service under the OATT and transmission service similar to Long-Term Firm Point-to-Point Transmission Service or Conditional Firm Service under

the OATT (e.g., DEF's service under certain grandfathered agreements), the transmission load divisor shall include the contract demands of those transmission customers at the time of DEF's monthly transmission system peaks.

(4) For Short-Term Firm or Non-Firm Transmission Services under the OATT and transmission service similar to Short-Term Firm or Non-Firm Transmission Services under the OATT (e.g., DEF's service under certain grandfathered agreements), the transmission load divisor shall not include the contract demands of those transmission customers (because revenues from these services are treated as a revenue credit in the Formula Rate, as set forth in Section 2.6(i)(2)).

(5) All values in the transmission load divisor will be adjusted for losses to the transmission system input level based on the transmission loss factor set forth in the OATT.

2.6 Non-Load and Transmission-related Revenue Credits.

(i) The non-load and transmission-related revenue credits in the Formula Rate shall be determined in the following manner:

(1) All revenues associated with facilities allocated to the transmission function, including both direct and indirect allocations (e.g., general and intangible plant and administrative and general expense) shall be treated as revenue credits in the Formula Rate, with the exception that transmission services that are included in the transmission divisor of the Formula Rate, as set forth in Section 2.5, shall not be treated as a revenue credit. Such revenue credits shall include, but shall not be limited to, transmission facilities lease/rental payments, direct assignment facilities charges, pole attachment fees, and general plant-related income.

(2) Transmission revenues from Short-Term Firm and Non-Firm Transmission Services under the OATT and transmission service similar to Short-Term Firm or Non-Firm Transmission Services under the OATT (e.g., DEF's service under certain grandfathered agreements) shall be treated as revenue credits in the Formula Rate.

(3) Transmission services revenues from FERC Account 456 shall be treated as revenue credits in the Formula Rate, but ancillary services revenues from FERC Account 456 shall not be revenue credits in the Formula Rate.

(4) All transmission revenue credits shall be directly assigned to the transmission function in the Formula Rate (i.e., they shall not be allocated in the Formula Rate using a transmission plant allocator).

(5) Revenues associated with indirect allocations of costs to the transmission function (e.g., general and intangible plant) shall be allocated to the transmission function in the Formula Rate based on the same underlying indirect allocations of costs and treated as a revenue credit.

2.7 Average of Beginning and End-of-Year Data: The Formula Rate shall include the average of the beginning and end-of-year balances from DEF's FERC Form No. 1 reports for the rate base items included in the Formula Rate, with the exception that storm damage items shall be included in the Formula Rate in accordance with Section 2.4.

2.8 Cash Working Capital. The Formula Rate shall include cash working capital based on a formulary approach as follows: 1/8 multiplied by the total of operation and maintenance expense, as specified in the Formula Rate template at page 3, line 17.

2.9 Prepayments for Network Upgrades by Generators. The Formula Rate includes treatment of refundable prepayments made by generators for network upgrades. The Formula Rate includes the amount of the refundable prepayments that DEF has not refunded to the OATT transmission customer in credits to the OATT transmission customer's transmission charges as an offset to rate base in the Formula Rate so that DEF will not earn a return on those funds. Correspondingly, the amount of interest paid to OATT transmission customers as their balances are credited against their transmission service is included as an expense in the Formula Rate. The Formula Rate includes a hypothetical example to illustrate how refundable prepayments for network upgrades are treated in the Formula Rate. The Formula Rate includes a placeholder for any future refundable prepayments for network upgrades.

2.10 Credits for Customer-Owned Facilities. The Formula Rate includes a placeholder for any future credits for customer-owned facilities to prevent any under-recovery of revenues by DEF due to any credits provided to OATT transmission customers for their own facilities.

2.11 Transmission Provider's Compliance with Order No. 2003. In accordance with FERC Order No. 2003,[2] the Formula Rate excludes any transmission plant that meets the definition of "Interconnection Facilities" and was placed in service for DEF's own generation facilities after March 15, 2000.

2.12 Directly Assigned or Assignable Costs. The Formula Rate excludes all costs that are properly directly assigned or assignable to one or more particular customers, including costs directly assigned or assignable to DEF.

2.13 DEF Payments to "Affected Transmission Owners" and Receipts from Others under the Regional Cost Allocation. FRCC regional transmission expansion cost allocation principles are currently under development. Within thirty days after those principles are filed as part of a FERC Order 890 compliance filing, DEF shall submit to Transmission Customers a proposal to address the treatment under the Formula Rate of DEF payments to Affected Transmission Owners, and payments to DEF as an Affected Transmission Owner, under such principles. If the interested Transmission Customers and DEF reach agreement within ninety days, DEF shall make a filing, pursuant to FPA Section 205, to change the Formula Rate to properly account for such payments. If the interested Transmission Customers and DEF do not reach agreement within ninety days, DEF shall make a filing, pursuant to FPA Section 205, to change the Formula Rate to properly account for such payments, and such filing may be opposed by affected parties. DEF's FPA Section 205 filing to implement the FRCC regional transmission expansion cost allocation principles into the Formula Rate shall be limited to that subject matter

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[2] *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, 68 Fed. Reg. 49,846 (August 19, 2003), FERC Stats. & Regs., ¶ 31,146 (2003), *order on reh'g*, Order No. 2003-A, 69 Fed. Reg. 15,932 (March 26, 2004), FERC Stats. & Regs., ¶ 31,160 (2004), *order on reh'g*, Order No. 2003-B, 70 Fed. Reg. 265 (January 4, 2005), FERC Stats. & Regs. ¶ 31,171 (2004), *order on reh'g*, Order No. 2003-C, 70 Fed. Reg. 37, 661 (June 30, 2005), FERC Stats. & Regs. ¶ 31,190 (2005), *aff'd sub nom. Nat'l Ass'n of Regulatory Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007).

and any Transmission Customer opposition to said FPA Section 205 filing shall be limited to disputes as to how to implement the FRCC regional transmission expansion cost allocation principles into the Formula Rate. To the extent necessary, DEF's said Section 205 filing may receive a retroactive effective date to permit DEF to recover costs resulting from the FRCC regional transmission expansion cost allocation principles.

2.14 Accumulated Deferred Income Taxes (ADIT).

The Formula Rate provides for the inclusion of transmission-related ADIT in the rate base. ADIT items unrelated to transmission shall not be allocated to transmission. In each Annual Update (as defined in the Formula Rate Implementation Protocols), DEF shall provide a spreadsheet that identifies the transmission-related costs in the FERC Form No. 1 reported amounts for ADIT. For example, the following ADIT items are not included in the Formula Rate because they are not transmission-related ADIT:

(i) Income tax deficiency items in ADIT (e.g., Accounts 190 and 283) are assigned to "other" in the Formula Rate.

(ii) Deferred taxes related to Environmental Cleanup Reserve in ADIT are allocated on the basis of gross plant in the Formula Rate.

(iii) Pension-related taxes, referred to as "Prepaid Pension – per book" and "Reg Asset – Minimum Pension Liab," in Account 283 are excluded from rate base in the Formula Rate and, accordingly, there shall be no ADIT balance offset for these items.

2.15 Intangible Plant.

(i) The Formula Rate includes the treatment of intangible plant.

(ii) In future Annual Updates, DEF shall provide supporting information concerning gross intangible plant investment and associated depreciation in order to establish net

intangible plant investments so that OATT transmission customers may compare DEF's net intangible plant investments from year to year.

(iii) To the extent that the net intangible plant investment increases from one year to the next, DEF shall supply, in the Annual Update, the supporting information to explain the increase and DEF shall adjust the allocation of net intangible plant investment in the Formula Rate to the extent necessary to reflect an appropriate allocation to transmission. This adjustment shall be submitted by DEF to the Commission in DEF's Annual Informational Filing for the Commission's acceptance. If there is a disagreement between DEF and a transmission customer concerning this matter, such matter shall be resolved through a Preliminary Challenge and/or Formal Challenge under the Formula Rate Implementation Protocols (rather than through an FPA Section 206 complaint).

2.16 Prepaid Pension Expense and Other Prepayments.

(i) The Formula Rate shall exclude prepaid pension expenses from rate base.

(ii) To the extent that prepaid pension expenses increase in a given year, DEF shall in the Annual Update provide supporting information for, and shall adjust the allocation of prepaid expenses, to the extent necessary to reflect an appropriate allocation to transmission. This adjustment shall be submitted by DEF to the Commission in DEF's Annual Informational Filing for the Commission's acceptance. If there is a disagreement between DEF and a transmission customer concerning this matter, such matter shall be resolved through a Preliminary Challenge and/or Formal Challenge under the Formula Rate Implementation Protocols (rather than through an FPA Section 206 complaint).

2.17 Extraordinary Property Loss. If an event meets the requirements for treatment as an Extraordinary Property Loss (FERC Account 182.1), DEF shall seek Commission approval for such treatment, with charges amortized over 3 to 5 years, as appropriate under the circumstances.

2.18 Extraordinary Transmission O&M Expenses. O&M expenses allocated or assigned to the transmission function that are extraordinary and non-recurring and have a significant effect on charges shall be amortized in the Formula Rate over three to five years (subject to Commission approval), as appropriate under the circumstances. The Formula Rate shall include the unamortized balance in rate base.

2.19 Property Taxes. Property taxes shall be allocated in the Formula Rate using the gross plant allocator.

2.20 Property Insurance. After deducting the annual funding of self-insurance for storm damage, property insurance shall be allocated in the Formula Rate using the gross plant allocator.

2.21 DEF Power Marketing Costs.

(i) To the extent that any labor costs associated with DEF's power marketing operations are included in administrative and general ("A&G") expense accounts, those labor costs shall be excluded from the A&G expenses to be allocated in the Formula Rate.

(ii) The divisor of the labor allocator in the Formula Rate shall include any such labor costs associated with DEF's power marketing operations.

2.22 FERC Account 561.

(i) Consistent with Order No. 668, the Formula Rate reflects the appropriate treatment of the series of sub-accounts under Account 561 such that the Formula Rate includes

only those items associated with transmission service and excludes all other costs, such as costs properly chargeable to Schedule 1 – Load Control and Dispatch Service.

(ii) The Formula Rate Filing does not change DEF's existing filed rate for Schedule 1 – Load Control and Dispatch Service in the Tariff.

2.23 Asset Retirement Obligations. The Formula Rate shall not include asset retirement obligations in any plant investment.

2.24 A&G Expenses. The Formula Rate shall exclude industry association dues, research and development fees, and Manufactured Gas Plant expense from administrative and general expenses recovered in the Formula Rate.

2.25 Service Company Tax Allocations. Operations and maintenance expenses (including, but not limited to, administrative and general expenses) to be recovered through the Formula Rate shall not include allocations of service company taxes.

SCHEDULE 10-A.4

Accounting for CWIP in Rate Base—OATT Administration

1.0 OVERVIEW

Duke Energy Florida, Inc. ("DEF"), obtains recovery of 50% of its construction work in progress ("CWIP") costs associated with certain identified and FERC-approved transmission projects in its formula transmission rate ("Formula Rate") for Open Access Transmission Tariff ("OATT") service, rather than accruing those costs in DEF's Allowance for Funds Used During Construction ("AFUDC").

2.0 PROCESS

In order to reflect the inclusion of 50% of CWIP in rate base, DEF records in a separate general ledger account an amount to offset half of the wholesale portion of AFUDC booked on the specified transmission projects. This separate account includes an offset to rate base in the OATT revenue requirement calculation. In addition, this separate account is amortized over the average life of the projects to which it relates and includes an offset to depreciation expense in the OATT revenue requirement.

DEF's utility plant accounting system, called PowerPlant, requires that every work order be assigned to a work order type and an operating unit. All transmission work orders are segregated into a transmission depreciation group work order type and are coded with a transmission operating unit. This allows DEF to specifically track transmission projects by type and operating unit prior to their being placed in service and assigned to the appropriate account in FERC's Uniform System of Accounts.

As part of each monthly closing process, the Property, Plant & Materials Department queries

PowerPlant for the amount of AFUDC booked to transmission work orders associated with the certain identified transmission projects. A calculation is made to determine 50% of this amount. DEF books a journal entry to a separate general ledger account to reflect that AFUDC is being reflected at the 50% level for the purpose of calculating OATT rates.

In addition, depreciation expense is reduced for purposes of calculating the OATT rates to reflect the fact that 50% of CWIP is being reflected in rate base. DEF books a journal entry amortizing the balance of AFUDC offsets relating to the identified transmission projects utilizing the same depreciation rate applied to the plant balances in the transmission FERC accounts.

3.0 ACCOUNTING

DEF utilizes the contra-asset method. While both the asset and contra-asset balances are maintained in the same FERC account (e.g. Accounts 107 and 101), DEF's detail property records maintain a separate accounting for each item.

As AFUDC is capitalized, Account 107 (CWIP) is debited and the debt and equity portions are credited to 419.1 (Allowance for Other Funds Used During Construction) and 432 (Allowance for Borrowed Funds Used During Construction--Credit). The reversal of AFUDC associated with the wholesale portion of CWIP included in rate base is credited to a Contra-Asset Account (107) and debited to 419.1 and 432 as originally charged.

When the project goes into service, the balance in CWIP (107) and the Contra-Asset Account (107) are moved to Electric Plant in Service (101) and an associated Contra-Asset Account (101). Each of these accounts are depreciated or amortized over the life of the asset.